



2015/16

**PICTUREHOUSE MEDIA LIMITED
ANNUAL REPORT**





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CHAIRMAN'S MESSAGE

Dear Shareholders,

The Indian Media and Entertainment (M&E) industry embarked the year 2015-16 into a new beginning with major reforms and developments in the industry. The Major Developments were the Government's initiatives of digitising the cable distribution sector to attract greater institutional funding, expansion of digital infrastructure with 4G rollout and increase in FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms.

The KPMG-FICCI Media and Entertainment industry report 2016 reports an expected growth at a CAGR of 14.3 per cent to Rs 2260 billion by 2020 attributed to Television (15.1%), Print (7.8%), Films (10.5%), Radio (16.9%) and Digital Advertising (33.5%).

During the last year 2015, the M&E sector grew by 12.8 % from Rs.1026 Billion in 2014 to Rs.1157 billion in 2015. The major contributor was Digital Advertising which grew by 38.2% followed by Radio-15.3% and TV-14.2% while the Film Industry grew by 9.3%.

The Film Industry in the year 2015 showed a significant growth in regional and Hollywood film collections as compared to the Hindi films which witnessed flat growth. The regional content gained more acceptance among the non-native language speaking audience improving the share of the regional films in the industry. Two thirds of the film produced during the year are Tamil, Telugu and Bollywood movies. It is expected that the South India movies mainly Tamil and Telugu will surpass the Bollywood movies in terms of the share of box office collections by language.

Our Company continued to strengthen its ardor towards movies by financing movies and producing movies under its own banner. There was lot of learning during the year with successes and failures in equal measure. There were 4 releases during the year. Kshanam and Oopiri (in Telugu and Tamil) were the major hits during the year and the other two movies Size Zero and Bangalore Days got average reviews at the Box Office.

The PVP Cinemas brand is one of the most coveted and well known with the public, reaching all age groups in Southern India. Our Company is committed to produce movies which gets accolades both in India and International. The goal is to be the top most producer of feature films in Telugu, Tamil, and Bollywood and the management team is committed to the same.

Best Regards,

Prasad V. Potluri
Managing Director

Corporate Information

BOARD OF DIRECTORS

Mr. Prasad V. Potluri - Managing Director
Mr. R. Nagarajan - Independent Director
Mr. N. S. Kumar - Independent Director
Mrs. P. Sai Padma - Director

BOARD COMMITTEES

Audit Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

Stakeholders Relationship Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

Nomination and Remuneration Committee

Mr. N. S. Kumar - Chairman
Mr. R. Nagarajan
Ms. P. Sai Padma

CSR Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

KEY MANAGERIAL PERSONNEL

Mr. Prasad V. Potluri - Managing Director
Mr. A. Praveen Kumar - CFO
Mrs. Mona Rajora - Company Secretary

STATUTORY AUDITORS

M/s CNGSN & Associates LLP
Chartered Accountants
No. 2, Vijayaraghava Road,
T Nagar, Chennai 600 017

PRINCIPAL BANKERS

Canara Bank
Central Bank of India

REGISTERED OFFICE

KRM Centre, 9th Floor, Door No. 2
Harrington Road,
Chetpet, Chennai 600 031

T +91 44 3028 5570
F +91 44 3028 5571
E ir.telephoto@pvpglobal.com

CORPORATE OFFICE

4th Floor, Punnaiah Plaza
Plot No. 83 and 84, Road No. 02
Banjara Hills, Hyderabad 500 034

T +91 40 6730 9999
F +91 40 6730 9988

STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited,
Subramanyam Building, 1, Club House Road,
Chennai 600 002

T +91 44 2846 0390
F +91 44 2846 0129
E investor@cameoindia.com

NOTICE

Notice

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Picturehouse Media Limited will be held on Tuesday, September 27, 2016 at 11.30 a.m. at Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani, Chennai, Tamil Nadu – 600 026 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Sai Padma Potluri (DIN: 01683528) who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013 read with rules made thereunder, M/s. Brahmayya & Co, Chartered Accountants, Chennai (FRN: 000511S) be and are hereby appointed as statutory auditors of the Company from the conclusion of 17th Annual General Meeting until the conclusion of the 22nd Annual General Meeting subject to ratification by members at every Annual General Meeting, at a remuneration as may be decided by the Board of Directors.”

By order of the Board of Directors
for PICTUREHOUSE MEDIA LIMITED

Date: August 17, 2016
Place: Chennai

Sd/-
Mona Rajora
Company Secretary

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING [‘THE MEETING’] IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL ON HIS/HER/ITS BEHALF AND THE PROXY, HOWEVER, NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before commencement of the meeting. A Proxy form for the AGM is enclosed with this Annual Report.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
4. In case of joint holders, the first joint holder will be entitled to vote in the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2016 to September 27, 2016 (both days inclusive) for the purpose of Annual General Meeting.
6. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2016 are being sent in electronic form to those Members who have registered their e-mail addresses with their DPs. However, in case, a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to **ir.telephoto@pvpglobal.com** for receipt of hard copy. This would enable the Company to update its database by incorporating/ updating the designated e-mail addresses in its records. The Members may also note that the said Reports are also being uploaded on the website of the Company at **www.pvpcinema.com**.
7. Members are requested to quote their Registered Folio Number, Client ID, Number of shares in all correspondences with the Company/RTA and notify the Company’s RTA, or the Depository Participants, the change of registered address, if any.
8. Non-Resident Indian Members are requested to inform the Company’s RTA immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
9. The Company has designated an exclusive email ID viz. **ir.telephoto@pvpglobal.com**, which would enable the investors/ shareholders to post their grievances, if any, by quoting their Registered Folio Number, Client ID, and Number of shares. However, it may be noted that the Company would not respond to any kind of malicious allegations made by the shareholders with ulterior motives.
10. Queries concerning Annual Accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
11. The Annual Report of the Company for the year 2015-16 circulated to the

Members of the Company is available on the Company's website, viz. **www.pvpcinema.com**

12. The Company Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, is extending e-voting facility for its Members to enable them to cast their vote electronically. Further, the facility for voting, through ballot paper, will also be made available at the AGM. However, the Members attending the AGM who cannot cast their votes by remote e-voting, can also exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. In this regard, the Company has appointed M/s. D. Hanumanta Raju and Co, Practicing Company Secretaries, Hyderabad, who in the opinion of the Board is a duly qualified person, as a Scrutinizer to oversee the electronic voting process in a fair and transparent manner.
13. The e-voting facility will be available at the link **http://evoting.karvy.com** during the voting period.
14. The login ID and password for e-voting along with process, manner and instructions is being sent to the members along with email/physical copy of the Notice.
15. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of cut-off date i.e., September 21, 2016 may obtain the login ID and password by sending a request at **evoting@karvy.com**. However, if you are already registered with Karvy for e-voting, then you can use your existing User ID and password for casting your vote.
16. Members are requested to note that the e-voting will open on September 24, 2016 at 9.00 a.m. and shall remain open for 3 days i.e. up to September 26, 2016 and it shall not be allowed beyond 5 p.m. on September 26, 2016.

17. The procedure and instructions for e-voting are as follows:

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- a) Launch internet browser by typing the URL: **https://evoting.karvy.com**.
- b) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- c) After entering these details appropriately, click on "LOGIN".
- d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your

choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
- g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email **dh300@gmail.com** with a copy marked to **evoting@karvy.com**. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- a) E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- b) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs)

and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact ir.telephoto@pvpgoal.com, Picturehouse Media Limited or Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

- b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) The remote e-voting period commences on September 24 2016 (9.00 A.M. IST) and ends on September 26, 2016 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2016.
- e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 21, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :
 - (i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

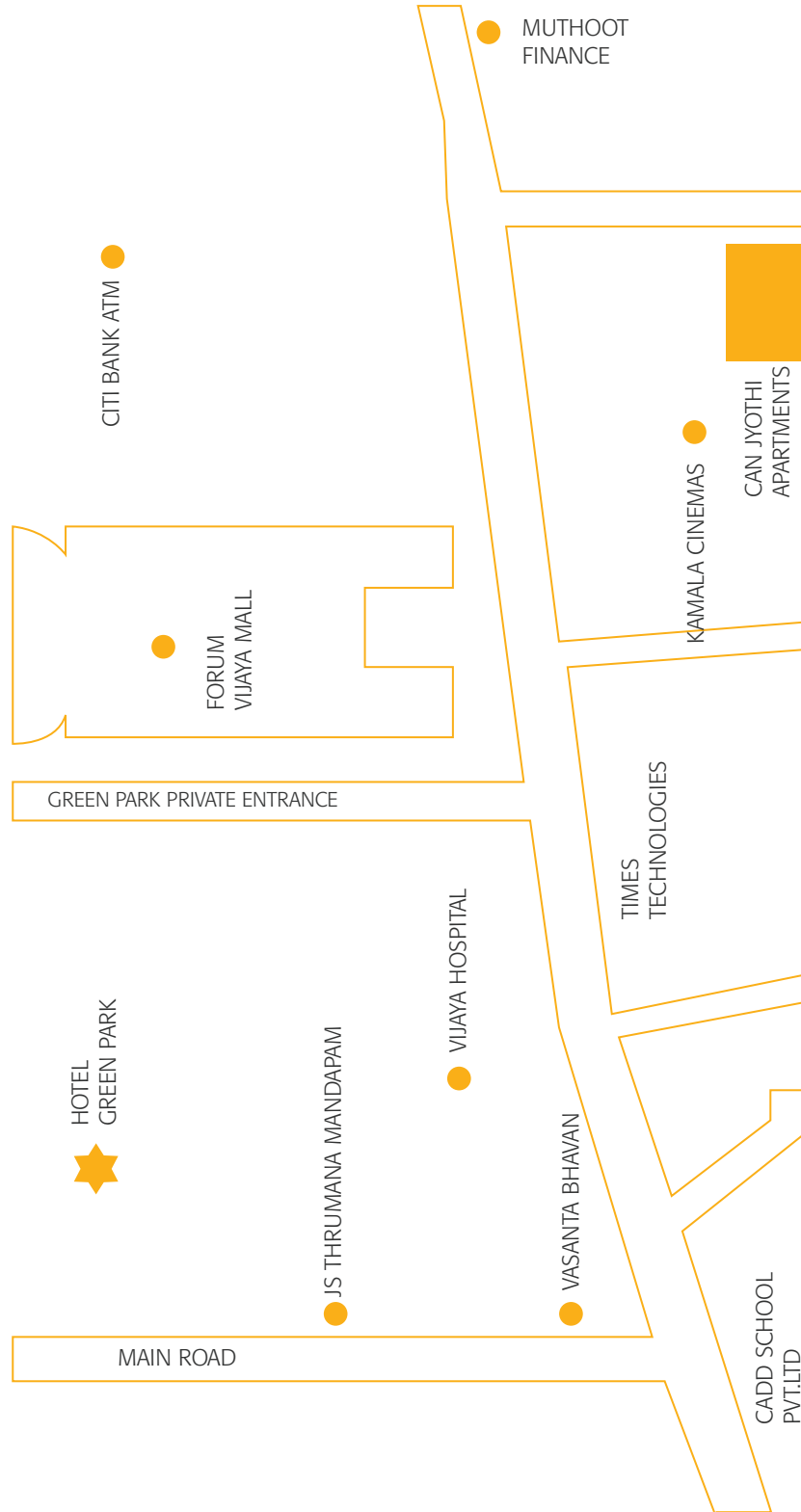
Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

- (ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (iii) Member may call Karvy's toll free number 1800-3454-001.
- (iv) Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

ROUTE MAP TO THE VENUE OF THE AGM

Hotel Green Park, 'Vauhini Hall'
No. 183, NSK Salai, Arcot Road,
Vadapalani, Chennai 600 026



DIRECTORS' REPORT

TO THE MEMBERS,

We are pleased to present the report on the business and operations of your Company for the year ended March 31, 2016.

Financial Highlights

[Rupees In Lakh]

Particulars	Standalone		Consolidated	
	2015-2016	2014-2015	2015-2016	2014-2015
Total Income	9527.68	1996.56	12962.28	5504.58
Operational, Administration and Other Expenses	10096.91	2116.61	10281.40	2544.33
Profit/(Loss) Before Depreciation Interest And Tax	(569.23)	(120.05)	2680.88	2960.25
Depreciation	61.04	67.45	61.26	67.66
Interest and Finance Charges	1005.47	385.75	3141.57	2111.29
Profit / (Loss) Before Exceptional Items	(1635.74)	(573.25)	(521.95)	781.30
Exceptional Items	20.11	0	20.11	0
Profit / (Loss) Before Tax	(1655.85)	(573.25)	(542.06)	781.30
Tax Expense	0	2.31	422.37	490.73
Profit/ (Loss) after Tax	(1655.85)	(570.94)	(964.43)	290.57

STATE OF THE COMPANY'S AFFAIRS

During the financial year 2015-16, the Company witnessed losses both on Standalone and Consolidated basis. The total revenue of the Company for the financial year ended 31 March, 2016 on Standalone basis is Rs. 95.27 crores as compared to the previous year's total revenue of Rs. 19.96 crores. Further, total revenue on consolidated basis is Rs. 129.62 crores as compared to the previous year's total revenue of Rs. 55.04 crores.

The Standalone Loss after tax stood at 16.56 crores as against loss of Rs. 5.70 crores in 2015. Further, the Consolidated Loss after tax stood at Rs. 9.64 crores as against loss of Rs. 2.90 crores in 2015.

TRANSFER TO RESERVES

In view of the losses incurred by the Company during the year, the Board of Directors did not propose to transfer any amount to reserves for the period under review

DIVIDEND

In view of the inadequacy of the profits and in order to conserve the resources of the Company, for future Business operations, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2016.

CAPITAL STRUCTURE

During the year, there is no change in the capital structure of the Company.

PUBLIC DEPOSITS

The Company has not accepted/renewed any fixed deposits during the year under review.

INSURANCE

All the properties of your Company have been adequately insured.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and erstwhile Listing Agreement and the Equity Listing Agreement signed with the BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.pvpcinema.com/pdf/2015/RPTPolicy-PHML.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

During the year under review, there were no Related Party Transactions or Material Related Party Transactions i.e., transactions, exceeding 10% of the annual consolidated turnover as per the latest audited financial statements.

Accordingly, the disclosure of Related Party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable for the year ended March 31, 2016.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No. 24.7 of the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

As on the date of this report, there are no material changes in the Company which may affect the financial position of the Company between the end of Financial Year and Date of Report.

SUBSIDIARY COMPANIES

The Company along with its subsidiaries is operating in the verticals of Film Production and Film Financing. As on March 31, 2016, the Company has 3 (Three) wholly-owned subsidiaries viz., PVP Capital Limited, PVP Cinema Private Limited and Picturehouse Media Private Limited (Foreign Subsidiary).

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as **Annexure - 1** to the Board's Report. As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website www.pvpcinema.com. These documents will also be available for inspection during the business hours at the Registered office of the Company and any member who wish to get

copies of such financial statements, may write to the Company for such requirement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the prescribed standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 forms part of the Annual Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Mrs. P. Sai Padma, Director of the Company retires by rotation and being eligible offer herself for re-appointment.

The details of training and familiarization programs and Annual Board Evaluation process for directors have been provided in the Nomination, Remuneration & Performance Evaluation Policy annexed with this report.

The policy on Directors' appointment and remuneration including criteria for determining qualifications positive attributes, independence of director and also remuneration for Key Managerial Personnel and other employees and Board evaluation process also forms part of Corporate Governance Report at **Annexure 2**.

During the year under review, Mr. Bhargava Burra resigned as the Company Secretary of the Company w.e.f. August 14, 2015 and the Board in its meeting held on August 14, 2015 appointed Ms. Mona Rajora as Company Secretary and Compliance officer of the Company w.e.f. August 17, 2015. Further, Mr. Vinay Chilakapati, COO and Mr. Rajeev Kamineni, Executive Director (Operation) who were designated as KMPs considering their roles and responsibilities by the Board ceases to be KMPs as decided by the Board. There is no other change in the Key Managerial Personnel of the Company.

COMPOSITION OF BOARD COMMITTEES

Audit Committee	
Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member
Nomination and Remuneration Committee	
Mr. N. S. Kumar	Chairman
Mr. R. Nagarajan	Member
Mrs. P. Sai Padma	Member
Stakeholders Relationship Committee	
Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

COMPOSITION OF BOARD COMMITTEES

Corporate Social Responsibility Committee	
Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member
Executive Committee	
Mr. Prasad V. Potluri	Chairman
Mrs. Sai Padma Potluri	Member

Further details with respect to the aforesaid Committees are provided in the Corporate Governance Report attached herewith.

NUMBER OF MEETINGS OF THE BOARD

The Board met 5 (five) times during the financial year, and the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements of the Company are prepared as per applicable Accounting Standards as prescribed under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and other applicable provisions if any of the said act. There are no material departures from prescribed accounting standards. The Directors confirm that:

- (i) In preparation of the annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis;
- (v) The Directors have laid down internal financial controls, which are adequate and are operating effectively; and
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate to operate the company effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

STATUTORY AUDITORS

M/s. CNGSN & Associates LLP (FRN: 004915S), the statutory auditors have expressed their unwillingness to be reappointed as Auditors at the AGM as their term expires at the ensuing AGM.

The Company had received a Special Notice from a member proposing the appointment of M/s. Brahmayya & Co pursuant to which the Board in its meeting held on August 17, 2016 has appointed M/s. Brahmayya & Co. (FRN: 000511S) as the Statutory Auditors of the Company subject to the approval of members for a period of five years from the conclusion of this AGM to the conclusion of 22nd AGM.

The Company has received consent from M/s. Brahmayya & Co., Chartered Accountants, (FRN: 000511S) to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and stated that they are not disqualified from being appointed as the Statutory Auditors of the Company.

The Board of Directors therefore recommends appointment of M/s. Brahmayya & Co., as the Statutory Auditors of the Company. Necessary resolution for their appointment is incorporated in the Notice calling for the AGM.

AUDITORS' REPORT

The Auditors' Report for the financial year 2015-16 is an "Un-qualified" report and the said Report together with the Audited Accounts for the financial year ended March 31, 2016 read with the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

SECRETARIAL AUDITOR

M/s. D. Hanumanta Raju and Co., Company Secretaries was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for financial year 2015-16 forms part of the Annual Report as **Annexure 3** of the Board's Report.

STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on The BSE Limited (BSE). The Company confirms that it has paid the Annual Listing Fees due to the Stock Exchange for the year 2016-17.

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and the Chief Financial Officer Certification is attached to this Report.

SIGNIFICANT MATERIAL ORDERS

There were no significant Material Orders passed against the Company during the year under review.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134 (3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure 4** of the Board's Report.

INTERNAL FINANCIAL CONTROL

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company www.pvpcinema.com.

CORPORATE SOCIAL RESPONSIBILITY

As per the Companies Act, 2013 all Companies having net worth of Rs.500 crore or more, turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising 3 or more directors, and at least one of whom should be an independent

director. As per the provisions, such company shall spend 2% of the average net profits of the company's, immediately preceding the three financial years.

CSR Committee of the Company comprises of Mr. R Nagarajan, Mr. N S Kumar and Mr. Prasad V. Potluri and the Committee is responsible for formulating and monitoring the CSR Policy of the Company. The CSR Policy of the Company as approved by the Board of Directors of the Company is available on website of the company.

The Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as **Annexure - 5** to this Report.

During the financial year ended March 31, 2016, the Company was required to spend Rs. 8.22 lacs towards CSR activities. However, owing to financial constraints the Company was unable to spend the amount for the financial year ended March 31, 2016.

During the financial year ended March 31, 2015, the Company was required to spend Rs. 20.11 lacs i.e., being 2% of the average net profits of the company's immediately preceding three financial years towards CSR activities. In May 2015, the Company has spent Rs. 20.11 lacs towards CSR Activities in the Education sector i.e. on Siddhartha Academy of General and Technical Education ('SAGTE').

PARTICULARS OF EMPLOYEES

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure 6** to the Board's Report.

RISK MANAGEMENT POLICY

The Company has risk management policy in place with an object to ensure that all the Current and Future Material Risks of the Company are identified, assessed/quantified and effective steps are taken to mitigate/reduce the effects of the risks to ensure proper growth of the business.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during financial year ended March 31, 2016:

- No. of complaints received: Nil
- No. of complaints disposed of: Nil

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Particulars regarding technology absorption, conservation of energy and foreign exchange earnings and outgo required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 to the extent applicable are as under:

A	CONSERVATION OF ENERGY The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.		
B	TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION The Company continues to use the latest technologies for improving the quality of its operations.		
C	FOREIGN EXCHANGE EARNINGS AND OUTGO:		
	[Rs. In Lakh]		
	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	Foreign Exchange Earnings	Nil	Nil
	Foreign Exchange Outgo:		
	Travel related Expenses	Nil	Nil
	Other Expenses (Film Production)	207.88	22.62
	Total	207.88	22.62

ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude the co-operation and assistance received from the bankers, actors, technicians, directors, production houses, shareholders, government agencies and other business associates. Your Directors wish to place on record their deep sense of appreciation for the committed services by the employees of the Company.

For and on behalf of Board of Directors

Date: August 17, 2016
Place: Chennai

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT:

The global economy has seen a tumultuous period in the last one year. Almost every status quo is being challenged and there remains great uncertainty on the continuation of existing global business practices and trade relations between different countries as we know it. In both United States and Europe, the political discussion is turning increasingly inward. Globalization is being questioned like never before and is seen to have favored economic elites while leaving others behind. Fear of terrorism also plays a role. Europe particularly is going through a migration crisis along with high rates of unemployment in many of its countries. There is a threat to the present structure of EU with growing voices of a 'Brexit' which has added to the investor uncertainty. The result could be a turn toward more nationalistic policies, including protectionist ones in the western world. In the long term one must be prepared to counter the effects of protectionist policies that may be employed by the western world. This could have an adverse effect on the jobs being outsourced to emerging economies including India which in turn can be damaging to the whole class of IT and other professionals which have arisen on the back of this outsourcing. Consequently, this could affect the disposable income that they bring to the table so very necessary for our industry.

Over and above, there was a sharp decline in all commodity prices with crude oil dropping to below USD 30 levels in January 2016. Many major economies were adversely hit by this volatility. The growth in developed and developing economies remained subdued. There was a correction of sorts for the Chinese economy. The world economy is predicted to have grown at just above 3% levels in FY 2016 and is estimated to grow at similar levels in 2016-17.

India, however continues to be a bright spot in spite of its fair share of turbulence such as weak monsoon, rising NPAs and gridlocked parliament. According to Indian Monetary Fund (IMF) and Central Statistics Organization (CSO), in the same period, Indian

economy is expected to grow at more than that rate of >7% levels making it the fastest growing economy in the world ahead of China. The decline in oil prices proved to be a blessing for India reducing the commodity prices. Further RBI ensured the inflation and borrowing cost were kept under control. This is likely to drive consumers in the country, benefitting the media industry. In addition government's initiatives of 'Make in India' and 'Digital India' have boosted investor sentiments. 'Make in India' has attracted several foreign companies to set up their manufacturing plants in India and is expected to increase the contribution of manufacturing sector to 25% of GDP from the present 15% levels. Under this various incentives have also been provided to start-ups which has proved to be a much needed shot in the arm for this fledgling industry. Both this will set the system rolling in a manner which has a positive impact on the services economy especially a perceived luxurious industry such as Media and Entertainment. Digital India has an ambitious aim to connect every nook and corner of India through internet. This will only help in increasing avenues for producers to exploit their content more fruitfully.

In the media sector digital media continues its rapid penetration. As per the FICCI-KPMG Report on Media & Entertainment (M&E) industry, 2016 this industry as a whole witnessed a growth of 12.8% during the calendar year 2015, from INR 1,026 billion during the calendar year 2014 to INR 1,157 billion in the calendar year 2015. In the same period the film industry grew at 9.3% from INR 126.4 billion to INR 138.2 billion. Last year this number was a mere 1%. Further, it is also estimated that due to the factors like digitization, growth of regional media, fast increasing new media business, animation, radio and TV M&E industry is projected to grow at a healthy CAGR of 14.3% to reach INR 2,260 billion by 2020. It is expected that during the same period film industry will reach INR 227 billion at a CAGR of 10.5%.

As far as films are concerned, the growth in numbers as compared to last year were largely due to Hollywood and regional

content gaining a wider acceptance. The collection of hitherto dominant markets such as Hindi films remained flat. It was common to see a Hollywood movie surpassing the opening weekend collection of a Bollywood movie released along with it. Similarly a good regional content spread by word-of-mouth found many takers pan-India. Besides this the contributors were overseas theatrical and ancillary revenue streams which grew a whopping 22.3% beating last year's 20%. This ancillary revenue streams comprise of in-cinema advertising, merchandising, pay-per-view on various platforms etc.

Our very own industry's 'Baahubali' has become a case-study of sorts and has given a boost to the Telugu industry like no other previous film. It has played a historic role in breaking regional barriers and proving that good content can go beyond language borders. It earned ~Rs. 600 crore worldwide and north Indian market contributed to ~25% of its domestic revenue. It released in 2000 screens in that region comparable to the movies of big stars of north India.

It is expected that Tamil and Telugu cinema shall soon surpass Bollywood in terms of the share of box office collections by language. Tamil movies saw a shift from star driven films to content driven films. It had 205 releases in 2015, with a success ratio of ~10%. Surprisingly this success was led by small budget but content based films like Kaaka Muttai and Kanchana 2 marking the slide of star dominance. Tamil industry also saw a significant decline in Cable and Satellite market. Telugu industry had about 160 release with a strike ratio of ~30% showing an increasing acceptance of fresh content. The challenge for Tamil industry remains to ensure that all the movies get enough space to be seen and move deeper into content. For Telugu industry, the key is to not let the momentum die and capitalize it further to become a leader in Indian film industry. Interestingly everything points to only one direction, the importance of content which no production house can afford to ignore. This year also witnessed that majority

of successful movies were the ones made under a tight budget including the ones with big stars. Stars alone can no longer save an inflated production cost.

Yet again, the best part about South Indian film industry is that it has grown in terms of quantity, quality and collection even with restricted access to the organized funding. This further confirms our belief on the potential of this industry and the heights to which it can reach with organized funding.

OPPORTUNITIES & THREATS:

India still remains a heavily under-screened market. The screen penetration in India stands at 6 per million as compared to 23 per million in China and 126 per million in US. The biggest grosser in India is seen by hardly 2% of its population. More screens means more theatrical viewers in the first weekend itself which can increase the returns for a producer multifold. This opportunity is more so in the Tier II and III cities where multiplex are being added at one-third the rate at which single screens are shutting down.

Collections in domestic market are now stagnating and we need to look beyond Indian borders to drive growth. Only a handful of the International markets have a strong local industry providing great scope to capture their latent demand for entertainment. For Tamil and Telugu cinemas immense opportunity lies in exploring pan-India market.

India is now a world-leader in number of mobile phone users with more than 100 crore subscribers. The government is extremely serious about connecting India digitally. This combined gives immense scope to producers to tap this potential particularly for small budget movies. The challenge remains to monetize it, but we expect it to happen as the gradual next step.

Besides these, other opportunities that industry may foresee are- merchandising which still remains very low in India, remake rights in multiple languages and innovative

concepts such as TV series or comics revolving around individual characters something like what 'Baahubali' plans. All this only means a boost for organized film financing. In many projects, professionally run business houses and family owned ones are learning to operate cohesively and leveraging on each other's strength. While a star may provide good opening, a strong content is required to sustain the momentum. The regional films especially Tamil and Telugu with their dedicated fan base and niche stories will have a larger pie in the overall industry going forward.

We are fast losing out on monetization opportunity due to sluggish pace of adding new screens. This affects smaller films all the more. The immediate threat is also from Hollywood movies as well as other avenues of entertainment available to people- like English TV series. Hollywood has eaten up many European industries before with its high production values and great content and developments suggest it has now set its eyes on India. Unless we improve our content drastically we will be left behind.

Besides these, the usual threat of piracy, lack of transparent data to make apt decisions, lack of trained manpower and industry still being largely unorganized, remain. India is one of the top countries witnessing peer-to-peer file sharing infringement worldwide. More transparency in box-office monitoring and reporting will only encourage organized financiers to pump in more money. The industry still faced challenges in delivering robust bottom line results. However, the macro story for the film industry remains strong.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company operates in only one segment viz., movie and related activities and hence segment-wise or product-wise performance reporting is not applicable.

OUTLOOK:

The outlook is overall positive as films continue to be a dominant source of entertainment in India. We are confident of the underlying fundamentals of this industry and the role it plays in present society. The growth going forward will depend on infrastructure expansion, digital penetration and newer revenue streams. Dynamics of the industry might change but the fundamentals remain positive.

RISKS & CONCERNS:

In talent driven M&E Industry, the ability to attract and retain right people has always been a concern for most of the Companies. The unorganised nature of the industry provides no filter criteria for the entrants here which makes it difficult to separate the grass from the weeds. The issue of piracy remains a critical issue for the Indian film industry. However, the theatre-to-television window has reduced to less than 3 months which has pretty much killed the pirated DVD/CD market. Further steps being taken are- proposed new Cinematograph Act, 2013 tough stance by certain producers to release the movie only on digital screens and various initiatives to raise consumer awareness. According to Motion Pictures Distributors Association (MPDA) India is the fourth largest downloader of films after the US, Great Britain and Canada. It estimates the loss due to piracy in 2012 was USD 1.1 billion, an increase of 15.79 percent from that in 2008. In this context, it is important that industries collaborate and create efficient mechanisms for content protection. With cooperation from the government and internet service providers, site-blocking measures can combat online piracy.

Second, we need to immediately provide incentives and reduce bureaucratic hurdles to increase the infrastructure. It will be useful to provide tax holiday benefits for infrastructural development on setting up Cineplexes in tier 2 and tier 3 cities to incentivize the sector and boost growth and development

of such cities. With each passing day there is an over-all opportunity loss to the industry. High entertainment tax acts as a major impediment to the growth of M&E industry, as the overall tax implication is as high as 40-50 percent in states like Maharashtra, Uttar Pradesh, Bihar and Karnataka. Such high rates of entertainment tax on box office admissions seem irrational considering that films are available on other platforms like television and Internet for free or very little cost. Such regulations have also led to many corrupt trade practices.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorizing transactions and its recording and timely reporting.

FINANCIAL PERFORMANCE (CONSOLIDATED BASIS):

- A. Capital Structure:** There is no change in the capital structure during the period under report.
- B. Reserves & Surplus:** The decrease in Reserves & Surplus has been contributed by the loss for the year under report.
- C. Borrowings:** The Long term and Short term Borrowings as at the end of the financial year 2016 stood at Rs. 235.05 crore as against Rs. 208.89 crore in 2015.
- D. Fixed Assets:** There is no significant change in the fixed assets of the company.
- E. Non-current Investment:** It is the amount invested by the Company in Mutual Funds

F. Long Term and Short Term loans & advances: This indicates various loans and advances made by the company towards film production and film financing as part of its business operations.

G. Inventories: Inventory at the yearend consists of film production work in progress (WIP).

H. Revenue from Operations: The consolidated revenue increased to Rs.129.43 crore from Rs.54.83 crore during the previous year.

I. Movie production expenses: The movie production expenses for the year 2016 stood at Rs.96.04 crore, which represents the expenses incurred on production of movies by the company and released during the year.

J. Employee cost: The increase in employee cost was in commensurate with sudden spurt of business activities carried out during the year.

K. Net Profit: The consolidated net loss for the year was Rs.9.64 crores and has decreased when compared to the consolidated net profit generated during the previous year.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Industrial relations are harmonious. The company recognizes the importance and contribution of the human resources for its growth and development.

As on 31st March 2016 the Company had total strength of 26 employees.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements of the Company have been prepared in accordance with Accounting Standards specified by Companies (Accounts) Rules, 2014 issued by the Central Government and the relevant provisions of the Companies Act, 2013 as amended to the extent applicable.

CAUTIONARY STATEMENTS

Statements in this Management Discussion and Analysis may contain forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. These statements are based on certain

assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Important developments that could affect the company's operations include a downtrend in media and entertainment sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigations, exchange rate fluctuations, interest and other costs.

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

Your Company believes that good Corporate Governance will lead to attainment of long term goals and value addition to the Stakeholders of the Company. The Company believes in the system of accountability, transparency and business ethics in its business coupled with utmost importance to statutory compliances.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Picturehouse Media Limited believes in the system of accountability, transparency and business ethics. Picturehouse Media believes in the following three tier Corporate Governance Structure:

- (i) Members appoint the Board of Directors ('Board') and authorize to conduct business with objectivity and ensure accountability.
- (ii) Board leads the strategic management of the Company on behalf of the Shareholders and in the best interests of all the Stakeholders, exercises supervision through direction and control and constitutes various Committees to handle specific areas of responsibilities; and
- (iii) The Committees of the Board and Executive Management appointed by the Board take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company are being managed according to the strategies and targets set by the Board.

The above principles have been the guiding force for whatever your Company does and shall continue to be so in the years to come. The Company is committed to adopting to the best practices in Corporate Governance and Disclosure.

2. BOARD OF DIRECTORS

a. Composition and Category of Directors

The Board consists of four Directors comprising 1 (one) Executive Director, 2 (two) Independent Directors and 1 (One) Non-Executive Director, as on March 31, 2016. The composition of the Board represents the finest blend of professionals from various backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

b. Attendance of the Directors at the Board Meetings and the 16th Annual General Meeting

The attendance of the Directors at the Meeting of Board of Directors held during financial year 2015-16 is as follows:

Name of the director	Number of meetings		Attendance at the AGM held on September 29, 2015 (16 th AGM)
	Held	Attended	
Mr. Prasad V. Potluri	5	5	Yes
Mr. R. Nagarajan	5	5	Yes
Mr. N S Kumar	5	5	Yes
Mrs. Sai Padma Potluri	5	5	No

The necessary quorum was present for all the Board Meetings and the 16th Annual General Meeting. The maximum interval between any two Board Meetings was well within the maximum allowed gap of one hundred and twenty days.

None of the Directors hold any shares in the Company.

A code of conduct as applicable to the Directors and the designated senior management of the Company had been approved by the Board and adhered by them. A declaration to this effect from the Managing Director of the Company is attached to this Annual Report.

c. Other directorships

The details of each Member of the Board along with number of Directorship(s)/Committee Membership(s) held by Directors in other companies along with date of appointment to the Board of Picturehouse Media Limited and Director Identification Number (DIN) are provided below for the period ended March 31, 2016:

Name of the Director	Designation position	Date of Appointment	DIN	Director ship in other companies	Position on committees of the board of other indian companies	
					As Chairman	As Member
Mr. N S Kumar	Non-Executive and Independent Director	27.04.2006	00552519	6	5	6
Mr. R. Nagarajan	Non-Executive and Independent Director	27.4.2006	00443963	5	6	5
Mrs. Sai Padma Potluri	Non-Executive Director	28.03.2015	01683528	4	Nil	1
Mr. Prasad V. Potluri	Managing Director	04.12.2007	00179175	3	Nil	3

Notes

- Mr. Prasad V. Potluri and Mrs. P. Sai Padma are related to each other.
- As required by Clause 49 of the Listing Agreement and the Regulation 26 of SEBI (LODR) Regulations, 2015 the disclosure includes Membership/ Chairpersonship of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR Committee.

None of the Directors hold Directorships in more than 20 Companies.

d. Number of board meetings

During the year ended March 31, 2016, 5 (five) Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed One Hundred and Twenty days.

The Board met five (5) times during the financial year 2015-16 i.e., on May 29, 2015, August 14, 2015, November 06, 2015, November 30, 2015 and February 09, 2016.

e. Disclosure of relationship between directors inter-se

Mr. Prasad V. Potluri and Mrs. P. Sai Padma are brother and sister. Other than Mr. Prasad V. Potluri, Managing Director and Mrs. P. Sai Padma, Director, none of the Directors are related to any other Director.

f. Shares held by Non-Executive Directors

As on March 31, 2016, none of the Non - Executive Directors hold any shares in the Company.

g. Directors Induction and Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Managing Director and Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The Management provides such information and training either at the Meeting of Board of Directors or otherwise.

The induction process is designed to:

- (i) build an understanding of the organization, its business and the markets and regulatory environment in which it operates;
- (ii) provide an appreciation of the role and responsibilities of the Director
- (iii) fully equip Directors to perform their role on the Board effectively; and
- (iv) develop understanding of the Company's people and its Key stakeholder relationships.

Upon appointment, the Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings.

The details of Director's induction and familiarization are available on the Company's website at www.pvpcinema.com.

Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least 1 meeting in a year, without the attendance of non-independent directors and members of the management. All the independent directors of the Company shall strive to be present at such meetings. The Meeting shall review the performance of non-independent directors and Board as a whole, review the performance of the Managing Director of the company, taking into account the views of executive directors and non-executive director and assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors have held a meeting on February 09, 2016 in this regard and discussed, among other matters, the performance of the Company and risks faced by it, flow of information to the Board, competition, strategy, leadership strengths, weaknesses, governance, compliance, board movements, HR matters and performance of Managing Director.

3. AUDIT COMMITTEE

During the previous financial year 2014-15, in the Board meeting held on February 13, 2015 the Board had rechristened the nomenclature of 'Audit Committee' as 'Audit and CSR Committee' however, it was subsequently felt that as the roles of the Committee are different and it is viable to have separate committees accordingly the Board in its meeting held on November 6, 2015 had reconstituted "Audit and CSR Committee" into two separate committees as "Audit Committee" and "CSR Committee."

a. Brief description of terms of reference

The Audit Committee reports to the Board and its terms of reference are as under:

- (i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgement by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;

- (x) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the whistle blower mechanism;
- (xix) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (xxi) Monitoring the end use of funds raised through public offers and related matters;
- (xxii) To review the management discussion and analysis of financial condition and results of operations;
- (xxiii) To review the statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (xxiv) To review the management letters / letters of internal control weaknesses issued by the statutory auditors;
- (xxv) To review the internal audit reports relating to internal control weaknesses;
- (xxvi) To review the appointment, removal and terms of remuneration of the chief internal auditor.
- (xxvii) To review the statement of deviations of following:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition, name of members and chairperson

The Audit Committee is constituted in accordance with Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee was constituted by the Board with 2 Independent Directors and 1 Executive Director with Independent Director as its Chairman.

Details of Composition of the Audit Committee:

The Audit Committee comprises of three Directors, as detailed below. All Members are financially literate and have the required accounting and financial management expertise. The Chairman of the Audit Committee, Mr. R. Nagarajan, is an Independent Director and he was present at the last Annual General Meeting to answer the Shareholders' queries. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

NAME OF THE DIRECTOR	CATEGORY	POSITION
Mr. R. Nagarajan	Non-Executive and Independent Director	Chairman
Mr. N S Kumar	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Managing Director	Member

c. Audit Committee meetings and Attendance during the Financial year ended March 31, 2016

The Audit Committee met four times during the financial year 2015-16 i.e., on May 29, 2015, August 14, 2015, November 06, 2015 and February 09, 2016 and not more than One Hundred and Twenty days had elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

Details of Attendance of the Audit Committee Meetings

Name of the member	Category	Position	Number of committee meetings	
			Held	Attended
Mr. R. Nagarajan	Non-Executive and Independent Director	Chairman	4	4
Mr. N S Kumar	Non-Executive and Independent Director	Member	4	4
Mr. Prasad V. Potluri	Managing Director	Member	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

a. Brief description of terms of reference

The Terms of Reference of Nomination and Remuneration Committee is as follows:

- Determine/recommend the criteria for qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulate criteria for evaluation of each Director's performance and performance of the Board as a whole;

- (iii) Devising a policy on diversity of board of directors;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal.
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vi) Determine/recommend the criteria for appointment of Executive, Non-executive and Independent Directors to the Board;

b. Composition, name of members and chairperson

The Nomination and Remuneration Committee was constituted by the Board with 2 Independent Directors and 1 Non-Executive Director with Independent Director as its Chairman.

Details of Composition of the Committee:

Name of the member	Category	Position
Mr. N S Kumar	Non-Executive and Independent Director	Chairman
Mr. R. Nagarajan	Non-Executive and Independent Director	Member
Mrs. P. Sai Padma	Non-Executive Director	Member

The Company Secretary of the Company acts as the Secretary to the Nomination & Remuneration Committee.

c. Nomination & Remuneration Committee Meeting and Attendance during the Financial year ended March 31, 2016

The Nomination & Remuneration Committee met one time during the financial year 2015-16 i.e., on August 14, 2015.

Details of Attendance of the Nomination and Remuneration Committee Meetings

Name of the member	Category	Position	Number of committee meetings	
			Held	Attended
Mr. N S Kumar	Non-Executive and Independent Director	Chairman	1	1
Mr. R. Nagarajan	Non-Executive and Independent Director	Member	1	1
Mrs. P. Sai Padma	Non-Executive Director	Member	1	1

d. **Performance evaluation criteria for independent directors**

During the year, committee under the guidance of Board, also formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

5. REMUNERATION TO DIRECTORS

- a. There were no pecuniary transactions with any non-executive director of the Company.
- b. The Company has not paid any remuneration to its non-executive directors, except the sitting fees paid for attending the meetings of the Board and the Committees.

Details of sitting fees paid to the Directors are as follows:

Name of the director	Amount (in rupees)
Mr. Prasad V. Potluri	NIL
Mr. R. Nagarajan	1,35,000
Mr. N S Kumar	1,35,000
Mrs. P. Sai Padma	80,000

- c. No director of the Company is paid any remuneration.
- d. Service contracts, notice period and Severance fee: **Not Applicable**
- e. The Company does not have any employee stock option scheme in force.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. **Composition of the Committee**

The Stakeholders' Relationship Committee was constituted by the Board with 2 Independent Directors and 1 Non-Executive Director with Independent Director as its Chairman.

Details of Composition of the Committee:

Name of the director	Category	Position
Mr. R. Nagarajan	Non-Executive and Independent Director	Chairman
Mr. N S Kumar	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Managing Director	Member

b. Name and designation of the Compliance Officer

Ms. Mona Rajora, Company Secretary

c. Number of shareholders' complaints received so far - **NIL**

d. Number of complaints not resolved to the satisfaction of shareholders is **NIL**.

e. There were no pending complaints as at the year end.

Terms of Reference.

The Stakeholder Relationship Committee is responsible for:

- (i) Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend etc.
- (ii) Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such Committee.

The Company Secretary of the Company acts as the Secretary to the Stakeholders' Relationship Committee.

Your Company has a designated e-mail ID i.e., **ir.telephoto@pvpglobal.com** exclusively for the purpose of registering complaints and grievances of Shareholders.

Your Company has also displayed the said email ID and other relevant details prominently under the investors section in its website, **www.pvpcinema.com** for creating investor awareness.

Your Company maintains a functional website i.e., **www.pvpcinema.com** containing necessary information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances and details of agreements entered into with the media companies and/or their associates, etc.. The contents of the said website are updated regularly as per Clause 54 of the Listing Agreement and Regulation 46 of the SEBI (LODR) Regulations, 2015

The Committee met 3 times on May 29, 2015, August 14, 2015 and November 06, 2015 during the financial year 2015-16.

7. GENERAL BODY MEETINGS

a. The details of date, location and time of the last three Annual General Meetings held are as under:

Year	Venue	Date and time
2014-15	Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani, Chennai – 600 026, Tamil Nadu	September 29, 2015 11.30 A.M.
2013-14	The Kings Hall, The Pleasant Days Resort Chennai-Bangalore Highway, Palanjur, Sembarambakkam, Chennai - 600 123, Tamil Nadu	September 26, 2014 11.30 A.M.
2012-13	Kamaraj Arangam, No. 492, (Old No. 574-A), Anna Salai, Teynampet, Chennai – 600006, Tamil Nadu	September 26, 2013 11.30 A.M.

b. Special Resolutions passed during the previous three Annual General Meetings:

- (i) 2014-15 – NIL
- (ii) 2013-14 – To alter the Articles of Association of the Company
- (iii) 2012-13 - NIL

c. Special resolution passed last year through postal ballot

There was no Special Resolution passed through postal ballot during the previous year.

d. Special resolution proposed to be conducted through postal ballot - **NIL**

8. MEANS OF COMMUNICATION

a. Quarterly results

The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and/or erstwhile Listing Agreement and published the same in newspapers namely Business Standard (in English) and in Makkal Kural (in Tamil).

b. Newspapers wherein results normally published

The results of the Company are generally published in newspapers namely Business Standard (in English) and in Makkal Kural (in Tamil).

c. Any website, where displayed

The results of the Company are displayed on www.pvpcinema.com.

d. Whether it also displays official news releases

There were no press release made during the year 2015-16.

e. Presentations made to institutional investors or to the analysts - **NIL**

9. GENERAL SHAREHOLDER INFORMATION

a. **Annual General Meeting** – September 27, 2016 at 11.30 a.m. at Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani, Chennai, Tamil Nadu – 600 026

b. **Financial year** of the Company is 1st April to 31st March of every year.

c. **Dividend payment date** – Not Applicable

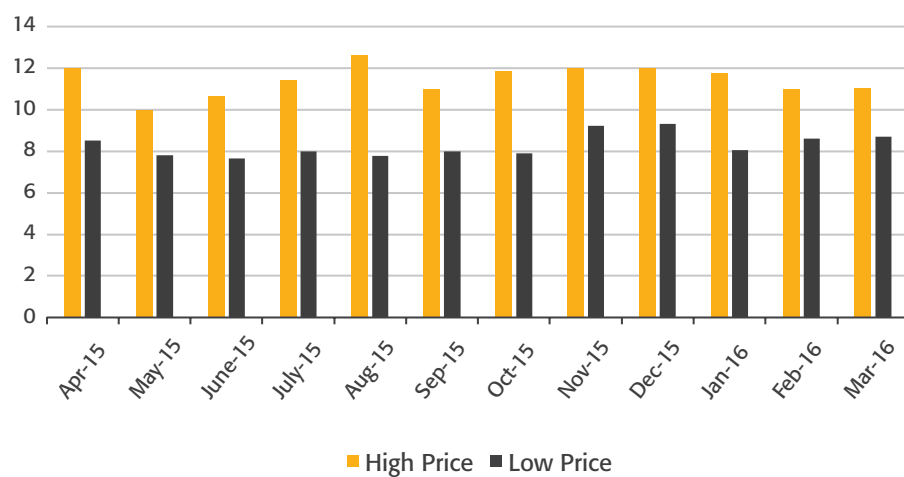
d. **Listing on Stock Exchanges** – The Company's share are listed on the BSE Limited. The listing fees for the year 2015-16 has been paid to the above stock exchanges.

e. **Stock code** – 532355

f. High and Low Market Price during each month in the accounting year was as follows:

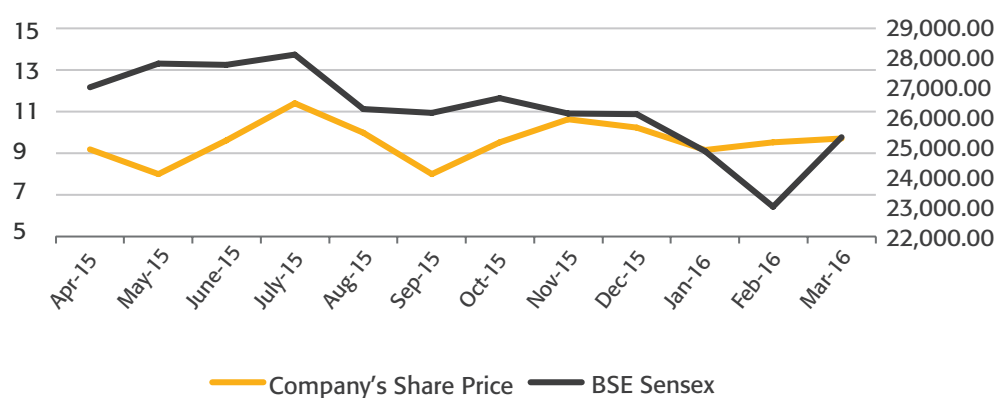
Month	High Price	Low Price
April 2015	12	8.51
May 2015	9.97	7.8
June 2015	10.65	7.65
July 2015	11.41	7.99
August 2015	12.64	7.77
September 2015	10.98	7.98
October 2015	11.88	7.9
November 2015	12	9.21
December 2015	12	9.31
January 2016	11.74	8.05
February 2016	10.98	8.61
March 2016	11	8.71

High and Low Market Price - 2015-16



g. Performance in comparison to broad based indices of BSE Sensex

Month	BSE Sensex	Company's Share Price
April 2015	27011.31	9.18
May 2015	27828.44	8
June 2015	27780.83	9.62
July 2015	28114.56	11.41
August 2015	26283.09	9.99
September 2015	26154.83	8
October 2015	26656.83	9.52
November 2015	26145.67	10.65
December 2015	26117.54	10.25
January 2016	24870.69	9.15
February 2016	23002	9.52
March 2016	25341.86	9.72



h. There was no suspension of trading in Securities of the Company during the year under review.

i. Registrar to an issue and share transfer agents

M/s. Cameo Corporate Services Limited,
Subramanyam Building, 1,
Club House Road, Chennai 600 002
Phone: 91-44-28460390 | Fax: 91-44-28460129
E-mail: cameo@cameoindia.com

j. Share Transfer System

The Registrar and Share Transfer Agents of the Company viz., M/s. Cameo Corporate Services Limited, handle share transfers.

k. Distribution of Shareholding

Categories of Shareholders as on 31st March, 2016 was as follows:

Category	No. Of shares	% To share capital
Promoters	3,86,46,654	73.96
FIs and Financial Institutions/Banks	25,50,028	4.88
Private Corporate Bodies/ Indian Public	1,09,73,760	21.00
NRIs / HUFs/Clearing Members/Others	79,558	0.15
Custodians of GDRs	-	-
Grand Total	5,22,50,000	100.00

Distribution of Shareholding as at March 31, 2016

Sl.No	Category (shares)	No. Of holders	% To holder	No. Of shares	% To equity
1	1 - 5000	4626	90.79	272291	0.52
2	5001 - 10000	180	3.53	145463	0.28
3	10001 - 20000	101	1.98	158198	0.30
4	20001 - 30000	35	0.68	86819	0.17
5	30001 - 40000	18	0.35	65630	0.13
6	40001 - 50000	27	0.53	127144	0.24
7	50001 - 100000	51	1.00	406140	0.78
8	100001 and above	57	1.12	50988315	97.58
	TOTAL	5095	100	52250000	100.00

l. Dematerialization of shares and liquidity

To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2016, 99.92% shares were held in dematerialized form.

m. There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on the date of March 31, 2016.

n. Commodity Price Risk or Foreign Exchange risk and hedging activities

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

o. Plant locations

The Company do not have any plants.

p. Address for correspondence

Picturehouse Media Limited
Reg. Off.: KRM Centre, 9th Floor, Door No. 2,
Harrington Road, Chetpet, Chennai – 600031
Tel: 044 30285570/78; Fax: 044 30285571
E-mail: ir.telephoto@pvplglobal.com
Website: www.pvpcinema.com

10. OTHER DISCLOSURES

- a. During the year 2015-16, there were no Material Related Party Transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. All related party transactions are intended to further the business interests of the Company. The transactions with the related parties are disclosed in the Note 24.7 to the Annual Accounts.
 - b. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last 3 years.
 - c. The Whistle blower policy as approved and adopted by the Board of Directors provides adequate safeguards against victimization of employees and provides access to the Audit Committee. No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company viz., www.pvpcinema.com.
 - d. The Company has complied with all mandatory requirements of Corporate Governance i.e., Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - e. The link of website of the Company where policy for determining 'material' subsidiaries is available http://pvpcinema.com/docs/other_statutory_info/PolicyonMaterialSubsidiaries-PHML.pdf.
 - f. The link of website of the Company where policy on dealing with related party transaction is available is http://pvpcinema.com/docs/other_statutory_info/RPTPolicy-PHML.pdf.
 - g. Disclosure of commodity price risks and commodity hedging activities. –
Not Applicable
11. The Company has complied with the requirements of the Schedule V, Corporate Governance report sub-para (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 12. The Company has not adopted any of the Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 13. The Company has made all the disclosures for compliance with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 in the section Report on corporate governance of the annual report.

OTHER DISCLOSURES AS PER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Disclosure with respect to Demat suspense account/ unclaimed suspense account –
Not applicable

Code of Conduct for Directors and Senior Management

As the Managing Director of Picturehouse Media Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2015-16.

For Picturehouse Media Limited

Place: Chennai
Date: August 17, 2016

Sd/-
Prasad V. Potluri
Managing Director

CEO AND CFO CERTIFICATION

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as below:

To
The Board of Directors
Picturehouse Media Limited

We, Prasad V. Potluri, Managing Director and A. Praveen Kumar, Chief Financial Officer of Picturehouse Media Limited, to the best of our knowledge and information, and on behalf of the Company certify that:

- a. We have reviewed financial statements and the Cash flow Statement for the year ended March 31, 2016 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. During the year under reference -
- (i) there were no significant changes in the internal control over financial reporting;
 - (ii) no significant changes in accounting policies were made; and
 - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

For Picturehouse Media Limited

Place: Hyderabad
Date: May 23, 2016

Sd/-
Prasad V. Potluri
Managing Director

Sd/-
A. Praveen Kumar
Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

TO
THE MEMBERS OF
PICTUREHOUSE MEDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by PICTUREHOUSE MEDIA LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') entered in to by the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, by the Directors, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/ Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Place: Hyderabad
Date: 16.08.2016

Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751

ANNEXURE - 1

NAME*	DATE OF ACQUISITION	REPORTING PERIOD	RE-PORTING-CURRENCY	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES	INVEST-MENTS	TURNOVER	PROFIT / (LOSS) BEFORE TAXATION	PROVISION FOR TAXATION	PROFIT / (LOSS) AFTER TAXATION	PD**	% ***
PMPL	22.08.2013	31.03.2016	USD	3,899	5,658	14,020	4,463	-	19,763	(7,572)	21	(7,593)	-	100%
PCPL	01.02.2006	31.03.2016	INR	3,00,000	(4,80,49,533)	21,70,066	4,99,19,599	-	-	(77,615)	-	(77,615)	-	100%
PCL	25.04.2012	31.03.2016	INR	25,00,00,000	25,07,31,570	2,04,86,98,923	1,54,79,67,353	-	34,21,45,781	11,19,33,733	4,22,35,593	6,96,98,140	-	100%
		* NAME OF THE SUBSIDIARY												
		Picturehouse Media Private Limited (PMPL)												
		PVP Cinema Private Limited (PCPL)												
		PVP Capital Limited (PCL)												
		** PROPOSED DIVIDEND												
		*** % OF SHAREHOLDING												

NOTE

- Names of Subsidiaries which are yet to commence operations - PVP Cinema Private Limited
- Names of Subsidiaries liquidated or sold or struck off during the year - NIL

ANNEXURE – 2

NOMINATION, REMUNERATION & PERFORMANCE EVALUATION POLICY

I. INTRODUCTION

The Board of Directors (the “Board”) of Picturehouse Media Limited (the “Company” or “PML”), has adopted the following policy and procedures with regard to appointment, remuneration and evaluation of performance of Directors, Key Managerial Personnel and Senior management. The Board/ Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company effective from date of approval of the Board i.e., May 29, 2015.

II. TITLE

This policy with regard to Performance Evaluation and Remuneration shall be called the Picturehouse Media Limited – Nomination, Remuneration & Performance Evaluation Policy (herein after referred to as the “Policy”).

III. SCOPE

This Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

IV. DEFINITIONS

- a) **Act** means Companies Act, 2013
- b) **Board** means Board of Directors of the Company
- c) **Committee** means Nomination and Remuneration Committee of the Company.
- d) **Company** means Picturehouse Media Limited
- e) **Employee** means any employee of the Company (whether working in India or abroad)
- f) **Independent Director** means a director who meets the criteria of Independence laid down under Section 149 of the Companies Act, 2013 read with the rules made there under and the Listing Agreement entered with the stock exchanges.
- g) **Key Managerial Personnel means:**
 - i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
 - ii) Chief Financial Officer;
 - iii) Company Secretary; and
 - iv) such other officer who is reporting to Managing Director/CEO.

- h) **Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Clause 49 of the Listing Agreement.
- i) **Senior Managerial Personnel** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

V. OBJECTIVE

The objective of the policy is to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

VI. COMPOSITION OF THE COMMITTEE

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the Clause 49, as amended from time to time.

VII. ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and other employees.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment and removal of Directors and Senior Management.
- d) To carry out evaluation of Director's performance.
- e) To devise a policy on Board diversity, composition, size.

VIII. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) Appointment of Directors, KMP's and Senior Management Personnel are subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.
- d) While appointing Independent Directors, the Committee shall ensure that the person proposed to be appointed possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, administration, research, corporate governance, technical operations, other disciplines related to the Company's business and such other criteria as may be specified by any law amended from time to time.
- e) It shall also ensure that Directors proposed to be appointed are not disqualified under any law. In case of Independent Director, it shall ensure that person proposed to be appointed meets the criteria of independence as laid down by the Companies Act, 2013 and Listing Agreement as amended from time to time.
- f) The appointment as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

IX. REMUNERATION TO EXECUTIVE DIRECTORS, KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES OF THE COMPANY

- a) The Executive Directors, KMPs and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., medical expenses, LTA and other expenses shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- b) The Managing Director of the Company may decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.
- c) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Director/KMPs in accordance with the provisions of Schedule V to the Companies Act, 2013 or prior approval of the Central Government as the case may be.
- d) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- e) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

- f) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

X. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

- a) The Non-Executive / Independent Director may receive sitting fees, accommodation, travelling and other expenses incidental thereto for attending meetings of Board or Committee thereof.
- b) Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) Remuneration /Commission, if applicable, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- d) An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

XI. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Each year the Board of the Company will carry out an evaluation of its own performance. The Board performance evaluation is designed to:

- a) review the pre-determined role of the Board collectively and individual Directors in discharge of duties as set out in the Company from time to time.
- b) annually assess how well directors are discharging their responsibilities; collectively by assessing the Board's effectiveness; and individually by assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities;
- c) annually assess the performance of directors in discharging their responsibilities;
- d) regularly evaluate the Directors' confidence in the integrity towards the Company, the quality of the discussions at Board meetings, the credibility of the reports and information they receive, the level of interpersonal cohesion between Board members and the degree of Board knowledge; and
- e) enable Board members, individually and collectively, to develop the key skills required to meet foreseeable circumstances with timely preparation, agreed strategies and appropriate development goals.

This can be achieved by collectively assessing the Board's effectiveness and by individually assessing the quality of a Director's contribution to general discussions, business proposals and governance responsibilities.

CRITERIA FOR EVALUATION OF PERFORMANCE:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

- a) Attendance and contribution at Board and Committee meetings
- b) His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- c) His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- d) His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- e) Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- f) Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- g) Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- h) His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- i) Quality of decision making on source of raw material/procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- j) His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- k) His/her contribution to enhance overall brand image of the Company.

PROCEDURE FOR BOARD PERFORMANCE EVALUATION

- a) The Chairperson will meet with the directors either collectively or separately, as he may deem fit, seeking input in relation to the performance of the Board, each Board Committee, other Whole time Directors and his own performance.
- b) Performance should be assessed quantitatively and qualitatively, as appropriate, based on the strategic plans and the roles/position description.
- c) The Chairperson will collect the input and provide an overview report for discussion by the Board.

- d) The Board as a whole will discuss and analyse the performance collectively of each director individually and its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

PROCEDURE FOR BOARD PERFORMANCE EVALUATION OF MANAGING DIRECTORS AND KEY EXECUTIVE OF THE COMPANY

The Board will ensure that the Managing Directors and other key executives will execute the Company's strategy through the efficient and effective implementation of the business objectives. In order to accomplish this:

- a) Each year the Board reviews the Company's strategy.
- b) Following such a review the Board sets the organization performance objectives based on qualitative and quantitative measures.
- c) These objectives are reviewed periodically to ensure that they remain consistent with the Company's priorities and the changing nature of the Company's business.
- d) These objectives form part of the performance targets as assigned to the Managing Directors.
- e) Performance against these objectives is reviewed annually by the Board.
- f) The Managing Directors are responsible for assessing the performance of the key executives and a report is provided to the Board for review.

XII. POLICY ON BOARD DIVERSITY

- a) This Policy on Board Diversity (the "Policy") forms part of Performance Evaluation and Remuneration Policy and it sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.
- b) The Policy applies to the Board of Picturehouse Media Limited (the "Company"). It does not apply to employees generally.
- c) The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognised that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions amongst Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.
- d) The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with revised Clause 49 of the Equity Listing Agreement (the "Clause 49").

XIII. FRAMEWORK FOR SEPARATE MEETING OF INDEPENDENT DIRECTORS

- a) As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.
- b) The meeting shall:
 - i. review the performance of Non-independent Directors and the Board as a whole;
 - ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
 - iii. assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- c) This meeting could be held prior or after the Board Meeting as desired.

XIV. IMPLEMENTATION

- a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The Committee may Delegate any of its powers to one or more of its members.

XV. DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules made thereunder and Listing Agreement, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors.

The Company shall disclose the same in its Annual Report.

This Policy will upload this policy on the website of the Company at www.pvpcinema.com. The provisions of this Policy can be amended/modified by the Board of Directors of the Company from time to time and all such amendments/modifications shall take effect from the date stated therein.

ANNEXURE – 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
PICTUREHOUSE MEDIA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PICTUREHOUSE MEDIA LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015 ;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period of audit);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;(Not applicable to the Company during the period of audit);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the period of audit); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vii) Other Laws specifically applicable to the company include:
 - (a) The Cinematograph Act, 1952
 - (b) The Cinematograph (Certification) Rules, 1983.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

WE FURTHER REPORT THAT

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751**

**Place: Hyderabad
Date: 16.08.2016**

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To,
The Members,
PICTUREHOUSE MEDIA LIMITED

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

**For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
ACS: 32655, CP NO: 12751**

**Place: Hyderabad
Date: 16.08.2016**

ANNEXURE – 4

Extract of Annual Return

[pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L92191TN2000PLC044077
2	Registration Date	02.02.2000
3	Name of the Company	PICTUREHOUSE MEDIA LIMITED
4	Category/Sub-category of the Company	Public Company
5	Address of the Registered office and Contact Details	KRM Centre, 9th Floor, Door No. 2, Harrington Road Chetpet, Chennai – 600 031 Tamil Nadu Tel +91-44-3028 5570 Fax: +91-44-3028 5571
6	Whether listed company	Yes
7	Name, Address and Contact Details of the Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, Subramanyam Building, Club House Road, Chennai-600 002, Tamil Nadu Contact Person: Mr. Murali Phone 91-44-28460390 Fax 91-44-28460129; E-mail murali@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

[All the business activities contributing 10 % or more of the total turnover of the company shall be stated]

S.no	Name and Description of Main Product/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Movie Rights and Related Activities	5911	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.no	Name and address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	PVP Ventures Limited (along with its subsidiary companies*) Address: KRM Centre, 9th Floor Door No 2, Harrington Road, Chetpet, Chennai 600031	L72300TN1991PLC020122	Holding	51.46	2(46)
2	PVP Capital Limited Address: KRM Centre, 9th Floor Door No 2, Harrington Road, Chetpet, Chennai 600031	U65191TN1988PLC015481	Subsidiary	100	2(87)
3	PVP Cinema Private Limited Address: KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai 600031	U51420N2004PTC054088	Subsidiary	100	2(87)
4	Picturehouse Media Private Ltd Address: 30 Cecil Street # 19-08, Prudential Tower Singapore 049712	N.A.	Foreign Subsidiary	100	2(87)

** PVP Ventures Limited is holding equity of 6.42% and its wholly owned subsidiaries viz., PVP Global Ventures Private Limited is holding equity of 21.50% and PVP Media Ventures Private Limited is holding equity of 23.54% in the paid up equity share capital of Picturehouse Media Limited.*

By virtue of the aforesaid, the shareholding of the company together with its subsidiaries in Picturehouse Media Limited aggregates to 51.46% and thus, it is disclosed as Holding Company of Picturehouse Media Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1)Indian									
a) Individual/ HUF	11757249	0	11757249	22.50	11757249	0	11757249	22.50	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	26889405	0	26889405	51.46	26889405	0	26889405	51.46	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	38646654	0	38646654	73.96	38646654	0	38646654	73.96	0
(2) Foreign									
a) NRI - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	38646654	0	38646654	73.96	38646654	0	38646654	73.96	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	28	0	28	0.00	28	0	28	0.00	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds									
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	2550000	0	2550000	4.88	2550000	0	2550000	4.88	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0

Sub-total (B)(1)	2550028	0	2550028	4.88	2550028	0	2550028	4.88	0
2. Non Institutions									
(a) Bodies Corporate									
(i) Indian	7720829	0	7720829	14.78	6706490	0	6706490	12.83	(1.95)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs 1 lakh	1085436	39462	1124898	2.15	1087410	39358	1126768	2.16	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2100915	0	2100915	4.02	2174804	0	2174804	4.16	0.14
C Others (specify)									
Foreign Bodies	0	0	0	0	0	0	0	0	0
Clearing Members	25,066	28	25,094	0.05	771	28	799	0	(0.05)
Non Resident Indians	4738	0	4738	0.00	5138	0	5138	0.01	0.01
HUF	76844	0	76844	0.15	75470	0	75470	0.14	(0.01)
Overseas									
Corporate Bodies	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Qualified Foreign									
Investors	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	11013828	39490	11053318	21.15	11013932	39386	11053318	21.15	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	13563856	39490	13603346	26.04	13563960	39386	13603346	26.04	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	52210510	39490	52250000	100	52210614	39386	52250000	100	0

(II) SHAREHOLDING OF PROMOTERS

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Changes in shareholding the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	PVP Ventures Ltd.	33,53,114	6.42	0	33,53,114	6.42	0	0
2	PVP Global Ventures Pvt. Ltd.	31,36,641	6.00	0	1,12,36,641	21.51	13.40	15.51
3	Mrs. Jhansi Sureddi	1,17,57,249	22.50	14.35	1,17,57,249	22.50	14.35	0
4	PVP Media Ventures Private Ltd.	1,22,99,650	23.54	2.21	1,22,99,650	23.54	2.21	0
5	Bloomfield Power Projects Pvt. Ltd.	81,00,000	15.50	3.02	0	0	0	(15.50)
	TOTAL	3,86,46,654	73.96	19.58	3,86,46,654	73.96	29.96	0

(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PVP Ventures Limited At the beginning of the year	33,53,114	6.42	33,53,114	6.42
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease - NIL	0	0	0	0
	At the end of the year			33,53,114	6.42
2	PVP Global Ventures Pvt. Ltd. At the beginning of the year	31,36,641	6.00	31,36,641	6.00
	Under Scheme of Amalgamation with Bloomfield Power Projects Pvt. Ltd effective date being 24.07.2015	81,00,000	15.50	1,12,36,641	21.50
	At the end of the year			1,12,36,641	21.50
3	Mrs. Jhansi Sureddi At the beginning of the year	1,17,57,249	22.50	1,17,57,249	22.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease - NIL			0	0
	At the end of the year			1,17,57,249	22.50
4	PVP Media Ventures Private Limited At the beginning of the year	1,22,99,650	23.54	1,22,99,650	23.54
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease - NIL			0	0
	At the end of the year			1,22,99,650	23.54
5	Bloomfield Power Projects Pvt. Ltd At the beginning of the year	81,00,000	15.50	81,00,000	15.50
	Merged under Scheme of Amalgamation with PVP Global Ventures Private Limited effective date being 24.07.2015	(81,00,000)	(15.50)	0	0
	At the end of the year			0	0

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Rayudu Media Projects Private Limited At the beginning of the year	4506490	8.62	4506490	8.62
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year			4506490	8.62
2	Sparrow Asia Diversified Opportunities Fund At the beginning of the year	2550000	4.88	2550000	4.88
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year			2550000	4.88
3	Metaphor Real Estates and Projects Pvt. Ltd At the beginning of the year	2200000	4.21	2200000	4.21
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year			2200000	4.21
4	Vivek Mundra At the beginning of the year	896984	1.72	896984	1.72
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year			896984	1.72
5	Mechno Sales Agencies Private Limited At the beginning of the year	515000	0.98	515000	0.98
	Sale on 30-Oct-2015	(15000)	0.03	500000	0.95
	At the end of the year			500000	0.95
6	Ramesh Kumar Somani At the beginning of the year	0	0.00	0	0.00
	Purchase on 19-Jun-2015	100000	0.19	100000	0.19
	Purchase on 26-Jun-2015	84778	0.16	84778	0.16
	At the end of the year			184778	0.35
7	Raju Nanwani (JT1: Sakshi Nanwani) At the beginning of the year	0	0.00	0	0.00

	Purchase on 17-Jul-2015	6298	0.01	6298	0.01
	Purchase on 31-Jul-2015	2000	0.00	8298	0.02
	Purchase on 07-Aug-2015	7857	0.01	16155	0.03
	Purchase on 14-Aug-2015	10000	0.02	26155	0.05
	Purchase on 04-Sep-2015	6203	0.01	32358	0.06
	Purchase on 11-Sep-2015	14325	0.03	46683	0.09
	Purchase on 18-Sep-2015	4817	0.01	51500	0.10
	Purchase on 25-Sep-2015	1500	0.00	53000	0.10
	Purchase on 23-Oct-2015	10000	0.02	63000	0.12
	Purchase on 30-Oct-2015	20750	0.04	83750	0.16
	Purchase on 06-Nov-2015	5875	0.01	89625	0.17
	Purchase on 13-Nov-2015	19375	0.04	109000	0.21
	Purchase on 04-Dec-2015	19700	0.04	128700	0.25
	Purchase on 08-Jan-2016	14000	0.03	142700	0.27
	Purchase on 15-Jan-2016	5000	0.01	147700	0.28
	Purchase on 05-Feb-2016	5000	0.01	152700	0.29
	Purchase on 12-Feb-2016	12500	0.02	165200	0.32
	Purchase on 19-Feb-2016	16000	0.03	181200	0.35
	Purchase on 26-Feb-2016	2900	0.01	184100	0.35
	Purchase on 04-Mar-2016	43900	0.08	228000	0.44
	Sale on 25-Mar-2016	(57000)	0.11	171000	0.33
	At the end of the year			171000	0.33
8	Lakshmi M				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 25-Mar-2016	119158	0.23	119158	0.23
	At the end of the year			119158	0.23
9	SMIFS Venture Capital Ltd.				
	At the beginning of the year	111207	0.21	111207	0.21
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	0	0	0	0
	At the end of the year			111207	0.21
10	Vikram Sharad Sheth				
	At the beginning of the year	0	0.00	0	0.00
	Purchase on 16-Oct-2015	242	0.00	242	0.00
	Purchase on 23-Oct-2015	1240	0.00	1482	0.00
	Purchase on 13-Nov-2015	180	0.00	1662	0.00
	Purchase on 20-Nov-2015	3000	0.01	4662	0.01
	Purchase on 04-Dec-2015	1700	0.00	6362	0.01
	Purchase on 11-Dec-2015	13638	0.03	20000	0.04
	Purchase on 25-Dec-2015	9176	0.02	29176	0.06
	Purchase on 31-Dec-2015	18392	0.04	47568	0.09
	Purchase on 08-Jan-2016	12100	0.02	59668	0.11
	Purchase on 15-Jan-2016	1000	0.00	60668	0.12
	Purchase on 29-Jan-2016	2700	0.01	63368	0.12
	Purchase on 05-Feb-2016	1025	0.00	64393	0.12
	Purchase on 12-Feb-2016	400	0.00	64793	0.12
	Purchase on 26-Feb-2016	250	0.00	65043	0.12
	At the end of the year			65043	0.12

(IV) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No	For Each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Prasad V. Potluri - Managing Director				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
2	Mr. R Nagarajan - Director				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
3	Mr. N S Kumar - Director				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
4	Mrs. Sai Padma Potluri - Director				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
5	Mr. Aeloori Praveen Kumar - Chief Financial Officer				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
6*	Mr. Bhargava Burra - Company Secretary				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0
7*	Ms. Mona Rajora - Company Secretary				
	At the beginning of the year	0	0	0	0
	Increase/Decrease during the year	0	0	0	0
	At the end of the year			0	0

* Mr. Bhargava Burra has resigned as Company Secretary of the Company w.e.f. 14.08.2015 and Ms. Mona Rajora was appointed as Company Secretary w.e.f. 17.08.2015.

V. INDEBTEDNESS

Indebtedness of the Company including Interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i)Principal Amount	76,19,44,212	0	0	76,19,44,212
(ii) Interest due but not paid	1,55,11,218	0	0	1,55,11,218
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	77,74,55,430	0	0	77,74,55,430
Change in Indebtedness during the financial year				
• Addition	11,95,85,073	22,71,43,558	0	34,67,28,631
• Reduction	0	0	0	0
Net Change	11,95,85,073	22,71,43,558	0	34,67,28,631
Indebtedness at the end of the financial year				
(i)Principal Amount	84,10,35,049	22,71,43,558	0	1,06,81,78,607
(ii) Interest due but not paid	5,60,05,454	0	0	5,60,05,454
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	89,70,40,503	22,71,43,558	0	1,12,41,84,061

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S No	Particulars of Remuneration	PRASAD V. POTLURI	Total Amount
1	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0	0
(b)	Value of Perquisites u/s 17(2) Income Tax Act, 1961	0	0
(c)	Profit in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission		
	As % of profit	0	0
	Others, specify	0	0
5.	Others	0	0
	Total (A)	0	0
	Ceiling as per the Act	-	-

B. REMUNERATION TO OTHER DIRECTOR:

Other Directors are not paid any remuneration except the Sitting Fees.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANGER/WTD

Sl. No	Particulars of Remuneration	CEO*	CS**	CFO	Total
1	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	4,94,361	16,17,000	21,11,361
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	28,800	28,800
	(c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	As % of profit	-	-	-	-
	Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total		4,94,361	16,45,800	21,40,161

* The Company is not required to appoint Chief Executive Officer (CEO).

** Remuneration details of Company Secretary (CS) is inclusive of Mr. Bhargava Burra (01.04.2015 to 14.08.2015) and Ms. Mona Rajora (17.08.2015 to 31.03.2016)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending March 31, 2016.

ANNEXURE – 5

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

This Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Company believes in *looking beyond business* and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as whole. The Management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company's responsibilities towards the community.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which the company operates.

The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014.

The CSR Policy and the activities undertaken for CSR is available on the Company's website www.pvpcinema.com

2. THE COMPOSITION OF THE CSR COMMITTEE.

Corporate Social Responsibility Committee	
Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

3. Average net profit of the company for last three financial years: Rs. 4,11,05,491

**4. Prescribed CSR Expenditure (2 percent of the amount as in item 3 above):
Rs. 8,22,110**

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: Rs. 8,22,110
- (b) Amount unspent, if any: Rs. 8,22,110
- (c) Manner in which the amount spent during the financial year is detailed below:

The below amounts spent during the financial year 2015-16, represents the amount which was required to be spent during the previous financial year

2014-15, however, as the amount could not be spent in that year, it was spend during the year 2015-16

Sl. No.	Particulars	
(1)	CSR project or activity identified	Educational Institution
	Sector in which the project is covered	Sector (ii) - Promoting Education
	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Andhra Pradesh, Vijaywada (Krishna District)
	Amount outlay (budget) project or programme wise	N.A.
	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	Rs. 20.11 lacs -
	Cumulative expenditure up to the reporting period	Rs. 20.11 lacs
	Amount Spent direct or through implementing agency	Direct

As per Section 135 of Companies Act, 2013, the Company should have spent Rs. 8.22 lakhs, towards CSR activities during the year 2015-16, but could not effect payment before 31st March 2016 and the same will be expensed during the current financial year 2016-17.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.** – Due to financial constraints
7. **The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.**

Place: Chennai
Date: August 17, 2016

Sd/-
Prasad V. Potluri
Managing Director

Sd/-
R. Nagarajan
Chairman of the Committee

ANNEXURE – 6

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment & Remuneration) of Managerial Personnel) Rules, 2014

1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2015-16, the percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the financial year 2015-16.

S. No	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	% Increase In Remuneration
1	Mr. Prasad V. Potluri	Managing Director	Nil	0.00
2.	Mr. Aelloori Praveen Kumar	KMP (Chief Financial Officer)	Not applicable	0.17
3.	*Ms. Mona Rajora	KMP (Company Secretary)	Not Applicable	0.00
4.	*Mr. Bhargava Burra	KMP (Company Secretary)	Not Applicable	0.00

** Mr. Bhargava Burra has resigned as Company Secretary of the Company w.e.f. 14.08.2015 and Ms. Mona Rajora was appointed as Company Secretary w.e.f. 17.08.2015.*

2. The Company has 26 permanent employees on the rolls of the Company as on March 31, 2016.
3. Average percentage reduction made in the salaries of the employees other than the Managerial Personnel in the financial year was 10.24% whereas the average percentage decrease in the remuneration to the Managerial Personnel was 10.65%.
4. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy.

Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees of the Company based on Remuneration drawn for FY 2015-16

Sl. No.	Name of the Employee	Age	Designation	Educational qualification	Date of Joining	Gross Remuneration paid
1	Gunnam Sandeep Kumar	35	Executive producer	B.A	01/07/2015	1,797,945
2	A. Praveen Kumar	37	GM - Finance & Accouts	MBA - Finance	27/05/2009	1,645,800
3	Ramaswamy R	59	GM - Operations	MBA (Training & Development), LLB	11/08/2006	1,250,000
4	S. Kishore	39	Head - Distribution & Exhibition	MBA - Finance	01/04/2013	1,000,000
5	S.P. Shankar	42	Executive producer	Diploma in Film Technology	06/10/2011	900,000
6	Aditya Mundra	29	ED - Finance	Chartered Accountant	03/03/2014	900,000
7	Burra Bhargava	26	Manager - Secretarial	Company Secretary	01/11/2014	576,000
8	K. Vivek	31	Manager - Legal	ML	23/05/2012	575,000
9	Narasingarajan T	33	Deputy Manager - Accounts	MBA - Finance	01/04/2008	515,995
10	Niklesh	29	Production Executive	B. Com	02/10/2012	480,000

- There are no employees who were in receipt of remuneration in excess of Rs. 1 crore and 2 lakhs who were employed throughout the financial year.
- There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of Rs. 8,50,000 per month.

STANDALONE FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Picturehouse Media Limited, Chennai

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Picturehouse Media Limited (herein after referred to "the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk 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 Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and their Loss, and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

Attention is drawn to the notes to the financial statements with regard to the loans and advance for film finance and Film under-production expenses (WIP). The management is of the view that these items are considered good and realizable in the ordinary course of business. However were unable to determine whether any adjustments to these carrying amounts are necessary and provision for diminution, if any, to be made depends on the future events. Our opinion in respect of these matters is not modified.

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 paragraphs 3 and 4 of the Order, to the extent applicable.

2. AS REQUIRED BY SECTION 143(3) OF THE ACT, WE REPORT THAT:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as 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 relevant books of account.
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- e. on the basis of written representation received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st 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 controls over the 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have pending litigations which have impact on its financial statements.
- ii) The Company did not have 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 M/s CNGSN & ASSOCIATES LLP
 CHARTERED ACCOUNTANTS
 Firm Registration No: 004915S

Camp: Hyderabad
 Date : 23rd May, 2016

Sd/-
 R. Thirumalmarugan
 Partner
 Membership No: 200102

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1.
 - a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The company has physically verified the fixed assets at reasonable intervals and there are no discrepancies noticed on such verification.
 - c. The company's fixed assets do not have any immovable properties.
2. The company holds inventory film production in progress - WIP. The physical verification of inventory was conducted at reasonable intervals by the management and there is no material discrepancies noticed on such verification.
3. During the year the company has granted unsecured loans to the subsidiary company, a party covered in the register maintained under section 189 of the Act. The outstanding due as on the balance sheet date is Rs.4,98,56,349/- and the entire amount was provided for.
4. The company has complied with the provisions of section 185 and 186 of the Companies Act in respect of securities and guarantees given.
5. The Company has not accepted deposits from public during this year. Therefore the provision of clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
6. The Company has made and maintained the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

7.
 - a. The Company is depositing, with delays, undisputed statutory dues with appropriate authorities, like Provident Fund, Employee's State insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess, wherever applicable. There are no undisputed statutory dues outstanding as at 31st March, 2016 for a period of more than six months from the date they become payable.
 - b. There are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax have not been deposited on account of any dispute.
8. The company has not defaulted in repayment of loans or borrowings from financial institutions, bank, government or dues to debenture holders.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans obtained were applied for the purpose for which those were raised.
10. There are no fraud by the company or any fraud on the company by its officers or employees and hence the provision of clause 3 (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
11. The company has not paid any managerial remuneration and hence the provision of clause 3 (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
12. The company is not a Nidhi company and hence the provision of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
13. The transactions with the related parties are in compliance with section 177 and 188 of the Act wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment of shares or private placement of shares or convertible debentures during the year and hence the provision of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
15. The company is not entered into any non-cash transactions with directors or persons connected with them and hence the provision of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
16. The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and hence the provision of clause 3 (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.

for M/s CNGSN & ASSOCIATES LLP
 CHARTERED ACCOUNTANTS
 Firm Registration No: 004915S

Camp: Hyderabad
 Date : 23rd May, 2016

Sd/-
 R. Thirumalmarugan
 Partner
 Membership No: 200102

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") (Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

We have audited the internal financial controls over financial reporting of Picturehouse Media Limited ("the Company") as on 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following weakness has been identified as at 31st March, 2016. "The Companies internal control system for advance given to film finance, production work-in-progress which could potentially result in existence of uncertainty that may cast doubt about the recoverability or otherwise on some of the items and thereby non provision for the shortfall, if any, as at the balance sheet date could not have been established"

A material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, 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 issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and the material weaknesses does not affect our opinion on the standalone financial statements of the Company.

for M/s CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Camp: Hyderabad
Date : 23rd May, 2016

Sd/-
R. Thirumalmarugan
Partner
Membership No: 200102

STANDALONE FINANCIAL STATEMENTS

PICTUREHOUSE MEDIA LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No	As at 31-03-2016		As at 31-03-2015	
I. EQUITY AND LIABILITIES		₹	₹	₹	₹
(1) Shareholders' Funds:					
(a) Share Capital	2	52,25,00,000		52,25,00,000	
(b) Reserves and Surplus	3	(6,18,03,769)		10,37,82,095	
(c) Money Received against Share warrants		-	46,06,96,231	-	62,62,82,095
(2) Share application money pending allotment			-		-
(3) Non-current liabilities:					
(a) Long-term borrowings	4	61,38,51,522		47,67,99,007	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long-term liabilities	5	-		6,41,501	
(d) Long-term provisions	6	53,68,161	61,92,19,683	39,91,550	48,14,32,058
(4) Current liabilities:					
(a) Short-term borrowings	7	51,03,32,539		30,06,56,423	
(b) Trade payables	8	68,94,273		34,35,526	
(c) Other current liabilities	9	2,26,08,924		1,10,76,208	
(d) Short-term provisions	10	10,72,488	54,09,08,224	93,825	31,52,61,982
Total			1,62,08,24,138		1,42,29,76,135
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	11	1,85,02,615		2,26,11,867	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	12	25,67,18,500		25,67,18,500	
(c) Deferred tax assets (Net)		-	-		
(d) Long-term loans and advances	13	38,05,620		31,55,620	
(e) Other non-current assets		-	27,90,26,735	-	28,24,85,987
(2) Current assets					
(a) Current investments			-	-	
(b) Inventories	14	96,50,75,957		77,17,26,249	
(c) Trade receivables	15	2,50,15,138			
(d) Cash and cash equivalents	16	71,24,860		2,14,97,951	
(e) Short-term loans and advances	17	32,06,41,011		32,88,81,392	
(f) Other current assets	18	2,39,40,437	1,34,17,97,403	1,83,84,556	1,14,04,90,148
Total			1,62,08,24,138		1,42,29,76,135

See accompanying notes to the financial statements

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

Sd/-

R. THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

		Note No	For the Year ended 31-03-2016	For the Year ended 31-03-2015
			₹	₹
I	Revenue from operations	19	95,08,23,766	19,75,39,308
II	Other income	20	19,43,953	21,17,499
III	Total Revenue (I + II)		95,27,67,719	19,96,56,807
IV	Expenses:			
a	Cost of film production expenses	21	95,93,11,340	16,48,11,310
b	Purchases of Stock-in-Trade		-	-
c	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
d	Employee benefit expenses	22	1,69,39,137	99,23,722
e	Finance costs		10,05,46,637	3,85,74,662
f	Depreciation and amortization expenses	11	61,04,748	67,44,810
g	Other expenses	23	3,34,40,721	3,69,25,765
	Total expenses		1,11,63,42,583	25,69,80,269
V	Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(16,35,74,864)	(5,73,23,462)
VI	Exceptional items		20,11,000	-
VII	Profit/(Loss) before extraordinary items and tax (V - VI)		(16,55,85,864)	(5,73,23,462)
VIII	Extraordinary items		-	-
IX	Profit/(Loss) before tax (VII - VIII)		(16,55,85,864)	(5,73,23,462)
X	Tax expenses			
	(1) Current tax		-	-
	(2) Deferred Tax Liability		-	-
	(3) Earlier Year Income Tax Paid		-	(2,31,865)
	Provision no longer required		-	-
XI	Profit / (loss) for the year from continuing operations (IX -X)		(16,55,85,864)	(5,70,91,597)
XII	Profit / (loss) from discontinuing operations		-	-
XIII	Tax expenses of discontinuing operations		-	-
XIV	Profit / (loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV	Profit / (loss) for the year (XI + XIV)		(16,55,85,864)	(5,70,91,597)
XVI	Earnings per share:			
	(1) Basic		(3.17)	(1.09)
	(2) Diluted		(3.17)	(1.09)

See accompanying notes to the financial statements

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 0049155

For and on behalf of the Board of Directors

Sd/-

R.THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
CASH FLOW STATEMENT for the year ended March 31, 2016

		31st March 2016	31st March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax		(16,55,85,864)	(5,73,23,462)
Adjustments for:			
Depreciation		61,04,748	67,44,810
Receivables written off		-	15,82,900
Interest paid		10,05,46,637	3,85,74,662
Loss on sale of Asset		-	3,08,087
Interest Income on Staff Advances		(19,23,254)	(19,17,999)
Provision for doubtful advances		64,250	21,84,551
Provision for employee benefit		15,33,164	4,03,910
Operating Profit Before Working Capital changes		(5,92,60,319)	(94,42,541)
Adjustments for:			
Increase/(Decrease) in Long Term Liabilities		(6,41,501)	(9,18,596)
Increase/(Decrease) in Trade payable		34,58,747	7,09,820
Increase/(Decrease) in Current Liabilities		1,23,54,826	36,29,342
(Increase)/Decrease in Inventories		(19,33,49,708)	(52,01,66,204)
(Increase)/Decrease in Trade Receivable		(2,50,15,138)	-
(Increase)/Decrease in Long Term Loans & Advances		(7,14,246)	4,68,99,067
(Increase)/Decrease in Short Term Loans & Advances		82,40,381	(3,68,28,228)
(Increase)/Decrease in Other Current Assets		(55,55,881)	302
Cash Generated from Operations		(26,04,82,839)	(51,61,17,038)
Direct Taxes paid		-	(2,26,48,620)
Net Cash from Operating Activities	A	(26,04,82,839)	(53,87,65,658)
B. CASH FROM INVESTING ACTIVITIES			
Interest Received		-	(15,82,900)
Interest from Staff advances		19,23,254	19,17,999
Addition to Fixed Assets including WIP		(19,95,497)	(26,16,622)
Sale of Asset		-	7,87,500
Investment made during the year		-	(40,00,000)
Net Cash used in Investing Activities	B	(72,243)	(54,94,023)
C. CASH FROM FINANCING ACTIVITIES			
Interest paid		(10,05,46,637)	(3,85,74,662)
Proceeds from Long Term Borrowing (Net)		13,70,52,515	38,42,62,707
Proceeds from Short Term borrowing (Net)		20,96,76,116	21,69,47,621
Net Cash from Financing Activities	C	24,61,81,994	56,26,35,666
Net increase in cash and cash equivalents	A+B+C	(1,43,73,091)	1,83,75,986
Cash and cash equivalents at the beginning of the year		2,14,97,951	31,21,965
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		71,24,860	2,14,97,951

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 0049155

For and on behalf of the Board of Directors

Sd/-

R.THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2016

				As at	As at
				31-03-2016	31-03-2015
Note: 2	(A) Authorised, Issued, Subscribed and Paid-up share Capital and par value per share			₹	₹
Note: 2	(B) Reconciliation of number of paid up shares outstanding				
Note: 3	(C) Equity Shares in the company held by each shareholder holding more than 5%:				
Note: 3	RESERVES AND SURPLUS			No of shares at year end 2016	No of shares at year end 2015
				% as at year end	% as at year end
Note: 3	RESERVES AND SURPLUS			As at 31-03-2015	As at 31-03-2016
				Additions during the year	Deductions during the year
Note: 3	RESERVES AND SURPLUS				

PICTUREHOUSE MEDIA LIMITED
NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2016

		As at 31-03-2016	As at 31-03-2015
Note: 4	LONG TERM BORROWINGS		
	From other parties - Secured (Refer Note No. 24.5)	38,67,07,964	47,67,99,007
	From subsidiary company - PVP Capital Limited	22,71,43,558	-
		61,38,51,522	47,67,99,007
Note: 5	OTHER LONG TERM LIABILITIES		
	From Banks - Vehicle Loan	7,11,715	23,94,138
	The loans are secured by vehicle purchased on Hire Purchase.		
	Current Maturity of Long Term Debt (Note: 9)	(7,11,715)	(17,52,637)
		-	6,41,501
Note: 6	LONG TERM PROVISIONS		
	Employee Benefits (Refer Note No. 24.2)	53,68,161	39,91,550
		53,68,161	39,91,550
Note: 7	SHORT TERM BORROWINGS		
	From Banks - Secured (Refer Note No. 24.5)	15,18,51,095	30,06,56,423
	From other parties - Secured (Refer Note No. 24.5)	35,84,81,444	-
		51,03,32,539	30,06,56,423
Note: 8	TRADE PAYABLE		
	Sundry Creditors for services	68,94,273	34,35,526
		68,94,273	34,35,526
Note: 9	OTHER CURRENT LIABILITIES		
	Income received in advance	4,87,390	55,97,390
	Statutory Payable	2,14,09,819	37,26,181
	Current Maturity of Long Term Debt (Note No. 5)	7,11,715	17,52,637
		2,26,08,924	1,10,76,208
Note: 10	SHORT TERM PROVISIONS		
	Provision for CSR	8,22,110	-
	Provision for employee benefits (Refer Note No. 24.2)	2,50,378	93,825
		10,72,488	93,825
Note: 12	NON CURRENT INVESTMENTS		
a)	Investment in equity instruments - Unquoted		
	PVP Cinema Private Limited - 30,000 equity shares of 10/- each.	3,00,000	3,00,000
	PVP Capital Limited - 2,50,00,000 equity shares of 10/- each.	25,21,73,500	25,21,73,500
	Picturehouse Media Private Limited in Singapore, 5,000 ordinary shares paid 1 share @ 1\$ each	2,45,000	2,45,000

PICTUREHOUSE MEDIA LIMITED
NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2016

		As at 31-03-2016	As at 31-03-2015
b)	Investment in Mutual Fund Investment in Canara Robeco Mutual Funds - (NAV 43,32,121)	43,00,000	43,00,000
		25,70,18,500	25,70,18,500
	Less: Provision for diminution in value of investment	(3,00,000)	(3,00,000)
		25,67,18,500	25,67,18,500
Note: 13	LONG TERM LOANS AND ADVANCES		
	Security Deposits - Considered Good	38,05,620	31,55,620
	Considered doubtful (PVP Cinema Private Limited)	4,98,56,349	4,97,92,099
		5,36,61,969	5,29,47,719
	Less: Provision for doubtful advances	4,98,56,349	4,97,92,099
		38,05,620	31,55,620
Note: 14	INVENTORIES		
	(Valued at cost or net realizable value which ever is less)		
	Under Film Production Expenses - WIP	96,50,75,957	77,17,26,249
		96,50,75,957	77,17,26,249
Note: 15	TRADE RECEIVABLE		
	Secured - Considered Good		
	Trade receivables outstanding for less than six months from the day they became due for payment.	2,50,15,138	-
		2,50,15,138	-
Note: 16	CASH AND CASH EQUIVALENTS		
	Balance with banks	66,32,139	2,12,50,779
	Cash on hand	4,92,721	2,47,172
		71,24,860	2,14,97,951
Note: 17	SHORT TERM LOANS AND ADVANCES		
	Secured - Considered Good		
	Loans and advances to related parties - subsidiary company	-	13,47,877
	Advances for Film Finance - (Refer Note No. 24.6)	29,99,85,920	29,91,84,480
	Unsecured - Considered Good		
	Advances for Staff	2,05,97,351	1,89,81,297
	Advances for Others	57,740	93,67,738
		32,06,41,011	32,88,81,392
Note: 18	OTHER CURRENT ASSETS		
	Advance Income Tax	2,36,82,440	1,80,76,915
	Service Tax Input	19,882	-
	Interest Accrued	10,443	-
	Prepaid Expenses	2,27,672	3,07,641
		2,39,40,437	1,83,84,556

PICTUREHOUSE MEDIA LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

		For the year ended 31-03-2016	For the year ended 31-03-2015
Note-19	INCOME		
	Income from Movie and Related activities	95,08,23,766	19,75,39,308
		95,08,23,766	19,75,39,308
Note-20	OTHER INCOME		
	Interest income on Staff Advances	19,23,254	19,17,999
	Misc Income	20,699	1,99,500
		19,43,953	21,17,499
Note-21	COST OF FILM PRODUCTION EXPENSES		
	Opening Film Production Expenses	77,17,26,249	25,15,60,045
	Add: Current year Film Production Expenses	1,15,26,61,048	68,49,77,514
		1,92,43,87,297	93,65,37,559
	Less: Closing Film Production Expenses - WIP	96,50,75,957	77,17,26,249
		95,93,11,340	16,48,11,310
Note-22	EMPLOYEE BENEFIT EXPENSES		
	Salaries and wages	1,58,10,939	87,78,259
	Contribution to PF and other funds	2,61,748	2,91,069
	Staff welfare expenes	8,66,450	8,54,394
		1,69,39,137	99,23,722
Note-23	OTHER EXPENSES		
	Rent	94,12,376	89,01,098
	Insurance	3,83,563	4,33,484
	Power and Fuel	14,25,800	12,27,750
	Printing & Stationery	7,32,277	7,29,430
	Communication Expenses	16,95,065	9,59,888
	Repairs & Maintenance	5,19,801	4,62,652
	Registration Charges	68,269	7,595
	Security Charges	4,39,728	4,33,615
	Rates & taxes	89,645	97,043
	Payment to statutory auditors		
	as auditors	12,50,000	12,96,600
	for tax audit	2,50,000	2,50,000
	for certification	3,46,600	3,00,000
	Directors Sitting Fees	3,98,730	4,04,496
	Legal, Professional and consultancy	22,23,114	52,04,083
	Office Maintenance	30,87,389	16,87,836
	Advertisement, publicity and sales promotion	2,64,743	3,37,000
	Investor related expenses including Listing Fees	5,82,875	4,94,940
	Travelling Expenses including Conveyance	93,76,066	82,38,526
	CSR Expenses	8,22,110	-
	TDS Receivable Written Off	-	15,82,900
	Provision for Doubtful Advances	64,250	21,84,551
	Loss on Sale of Asset	-	3,08,087
	Exchange Fluctuation Loss	-	13,76,661
	Miscellaneous expenses	8,320	7,530
		3,34,40,721	3,69,25,765

Note - 11 :FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2015 ₹	Addition ₹	Deletion ₹	As at 31st Mar, 2016 ₹	As at 1st April, 2015 ₹	Addition ₹	Deletion ₹	As at 31 st Mar, 2016 ₹	As at 31 st March, 2015 ₹
Plant & Machinery	1,72,101	-		1,72,101	50,026	37,962		84,113	1,22,075
Computers & Related Assets	40,48,548	1,79,624		42,28,172	26,30,789	10,86,167		5,11,216	14,17,759
Furniture & Fixtures	24,21,775	28,736		24,50,511	6,15,777	3,41,097		14,93,637	18,05,998
Vehicles	1,86,85,054	6,00,000		1,92,85,054	51,07,832	23,70,884		1,18,06,338	1,35,77,222
Office Equipments	86,45,288	11,87,137		98,32,425	29,56,475	22,68,639		46,07,311	56,88,813
	3,39,72,766	19,95,497	-	3,59,68,263	1,13,60,899	61,04,749	-	1,85,02,615	2,26,11,867
Previous year	3,27,05,133	26,16,622	13,48,989	3,39,72,766	48,69,491	67,44,810	2,53,402	2,26,11,867	2,78,35,642

Note: Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being Depreciated/Amortised over the revised/ remaining useful lives. Hence the Depreciation charges is more 2016: Nil (2015: ₹. 36,71,318/-).

ANNEXURE - B TO THE AUDITORS' REPORT

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- A. The financial statements of the Company have been prepared under the historical cost convention in accordance with the Accounting Standards specified by Companies (Accounts) Rules, 2014 issued by the Central Government and the relevant provisions of the Companies Act, 2013, as amended to the extent applicable.
- B. All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates.

1.2 REVENUE RECOGNITION

Income from movie and related rights are recognised in accordance with the terms of the agreements on accrual basis. Interest income is recognized on time proportionate basis. Income earned on licensing the copyrights is recognized on time proportionate basis.

1.3 USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates

1.4 FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at acquisition cost. Depreciation is charged on a pro-rata basis on a straight-line method as per the rates and in the manner prescribed under the Schedule II to the Companies Act, 2013, as amended.

1.5 BENEFITS TO EMPLOYEES

GRATUITY

The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with Accounting Standard 15 (Revised 2005) on "Employee

Benefits" as at the end of the period. Actuarial Gains/Losses are recognized immediately in Statement of Profit & Loss.

LEAVE ENCASHMENT

Leave encashment is paid for in accordance with the rules of the Company and provided based on an actuarial valuation as at the balance sheet date. Actuarial Gains/Losses are recognized immediately in Statement of Profit & Loss.

OTHER BENEFIT PLANS

Contributions paid under defined contribution plans are recognized in the Statement of Profit and Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions.

1.6 INVESTMENTS

Long-term investments are stated at cost less diminution, other than temporary, in the value of such investments, if any. Current investments are valued at cost or market value whichever is lower.

1.7 INVENTORY

Inventory at the yearend consists of film under production Work in progress (WIP). The inventory WIP are valued at cost or net realizable value whichever is less. Cost includes direct and indirect cost relating to film production activities.

1.8 FOREIGN CURRENCY TRANSACTIONS

All foreign currency transactions are accounted for at the rates prevailing on the dates of the transaction. Foreign currency assets and liabilities are converted at the yearend rates as applicable. The exchange difference on settlement / conversion is adjusted to Statement of Profit and Loss.

1.9 TAXES ON INCOME

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws. Deferred income taxes reflect 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 recognised 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

1.10 LEASES

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are

made to the HP vendors as per the EMI's given in the hire purchase agreements. The finance charges are debited to the statement of profit and loss and the principal amount is adjusted against the liability created for the vendor.

Lease rentals in respect of operating lease arrangements are charged to expense on a straight-line basis over the term of the related lease agreement.

1.11 BORROWING COST

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan.

1.12 IMPAIRMENT OF ASSETS

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which the impairment takes place.

1.13 CASH FLOW STATEMENT

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

1.14 SEGMENT REPORTING

The Company operates in only one segment viz. movie and related activities. Hence segment reporting is not applicable.

1.15 EARNINGS PER SHARE

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made, the fact is disclosed.

NOTE 24: OTHER ITEMS

24.1 Provision for Taxation and deferred tax

The provision for deferred tax asset/liability has been made in accordance with AS-22 on Accounting for Taxes on Income.

Particulars	For the year ending(Rs.)	
	31st March 2015	31st March 2016
Opening balance of deferred tax assets	6,68,275	4,73,95,432
Add:		
Timing difference on account of gratuity and leave encashment	6,94,683	4,65,073
Deferred tax asset on account of Income tax losses	4,89,55,009	4,87,88,819
Total deferred tax assets	5,03,17,967	9,66,49,324
Less: Timing difference on account of depreciation	29,22,535	8,59,158
Net Deferred tax assets as at the year end	4,73,95,432	9,57,90,166

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31.03.2016.

The provision for income tax has been made as per the Income Tax Act, 1961.

24.2 EMPLOYEE BENEFITS

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the financial statements

Principal Actuarial assumptions used

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2016
Discount rates	7.80%	7.80%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	25 years	23 years

Reconciliation of opening and closing balances of the present value of the obligations

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2016
	(in Rs.)	(in Rs.)
Present Value of Obligation at the beginning of the period	10,66,804	20,10,527
Current service cost	4,52,259	2,66,567
Interest cost	97,079	1,56,821
Actuarial loss/(gain)	(5,41,035)	(11,24,525)
Benefits paid	(1,46,650)	-
Present Value of obligation at the end of the period	20,10,527	13,09,390

Actuarial gain / loss recognised

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Actuarial (gain)/loss for the year		
Obligations	5,41,035	11,24,525
Assets	Nil	Nil
Total (gain)/loss for the year	(5,41,035)	(11,24,525)

Amounts recognized in the balance sheet

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Present value of funded obligation	20,10,527	13,09,390
Less: Fair value of assets*	Nil	Nil
Net Liability / (Asset)	20,10,527	13,09,390

*The Company has not created any Trust for meeting the liability and not funded so far and hence no assets are available for valuation and hence there are no disclosures pertaining to plan assets.

Expenses recognised in the profit & loss statement

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Current service cost	4,52,259	2,66,567
Interest cost	97,079	1,56,821
Actuarial (gain)/loss	5,41,035	(11,24,525)
Cost recognized	10,90,373	(7,01,137)

The following table sets forth the status of the Leave Encashment Plan of the Company and the amounts recognized in the financial statements

Principal Actuarial assumptions used

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Discount rates	7.80%	7.80%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	24 years	23 years

Reconciliation of opening and closing balances of the present value of the obligations

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Present Value of Obligation at the beginning of the year	24,70,538	20,74,848
Current service cost	(3,95,690)	22,34,301
Interest cost	2,24,819	1,61,838
Actuarial loss/(gain)	1,30,127	(69,513)
Benefits paid	(3,54,946)	(92,325)
Projected benefit obligation at the end of the period	20,74,848	43,09,149

Actuarial gain/loss recognised

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Actuarial (gain)/loss for the year		
Obligations	(1,30,127)	69,513
Assets	Nil	Nil
Total (gain)/loss for the year	1,30,127	(69,513)

Amounts recognized in the balance sheet

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Present value of funded obligation	20,74,848	43,09,149
Less: Fair value of assets	-	-
Net Liability / (Asset)	20,74,848	43,09,149

Expenses recognised in the profit & loss statement

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Current service cost	(3,95,690)	22,34,301
Interest cost	2,24,819	1,61,838
Actuarial (gain)/loss	1,30,127	(69,513)
Cost recognized	(40,744)	23,26,626

Defined Contribution Plans

In respect of the defined contribution plans, an amount of Rs. 2,61,748/- (2015: Rs. 2,91,069) has been recognized in the Statement of Profit and Loss during the year.

24.3 The Company has entered into operating lease agreements for its office premises which can be cancelled at any point of time by giving necessary notice period. During the previous year, the Company also entered into a Hire purchase Agreement for purchase of Vehicles.

The lease rentals paid during the year and the future lease obligations including HP & EMI repayment for the agreement in vogue as at March 31, 2016 are as follows:

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
a) Future lease obligations		
Due within 1 year from the Balance Sheet date	18,52,587	7,11,715
Due between 1 and 5 years	5,65,062	Nil
Due after 5 years	Nil	Nil
b) Lease rent paid during the year	89,01,098	94,12,376

Details of assets under Hire purchase

Particulars	Gross Block(Rs.)	Depreciation (Rs.)	Net block (Rs.)
Vehicles	1,56,28,656	60,40,819	95,87,837

24.4 On a conservative basis, the Company has, provided for the entire amount of investments and advances to its subsidiary company M/s PVP Cinemas (P) Ltd and the management does not expect any further provision on these investments and advances.

24.5 Long Term and Short Term Secured Loans are borrowed for the purpose of advancing film production/film finance. Bank loans are secured by charge on the film production rights undertaken by the company and collateral security of land given by promoters. Borrowings from banks and others are secured by way of charge on some of the advance to film production/finance. All the loans are personally guaranteed by Mr.Prasad V Potluri, Managing Director and Mrs.Jhansi Sureddi wife of Managing Director.

24.6 Advance made for film finance are on the security of hypothecation of assets , mortgage of property, personal guarantee, assignment of rights, lien on film negative , undertaking to create security, etc.

24.7 RELATED PARTY DISCLOSURES

List of related parties where control exists and related parties with whom transactions

Names of the Related party	Relationship
PVP Cinema Private Limited (PCPL)	100% Subsidiary company
PVP Capital Ltd	100% Subsidiary company
Picturehouse media private limited	100% Subsidiary company
(PHMPL Singapore) Mr. Prasad V. Potluri Mr. A.Praveen Kumar Mr. Bhargava Burra wef 26.09.2014 till 14.08.2015 Ms. Mona Rajora wef 17.08.2015	Key Managerial Personnel
Mrs.Padma Potluri	Directors
Mr.R.Nagarajan	
Mr.N.S.Kumar	
PVP Ventures Ltd (PVP)	Holding company

SUMMARY OF TRANSACTIONS AND OUTSTANDING BALANCES WITH THE ABOVE RELATED PARTIES:

Nature of transactions	Transactions for the year ended (in Rs.)		Balance as at (in Rs.)	
	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016
Loan Given(repaid) to PCPL	21,84,551	64,250	4,97,92,099	4,98,56,349
Provision for advances given to PCPL	21,84,551	64,250	4,94,92,099	4,98,56,349
Investment in PVP Capital Ltd	Nil	Nil	25,21,73,500	25,21,73,500
Advance paid /(received) to PVP Capital Ltd	Nil	(22,71,43,558)	Nil	(22,71,43,558)
Investment in PHMPL Singapore	Nil	Nil	2,45,000	2,45,000
Loan given to /(repaid) by PHMPL Singapore (Includes reimbursements)	(28,69,885)	(13,47,877)	13,47,877	Nil
Salaries & Perquisites paid to KMP	22,80,000	20,55,000	Nil	Nil
(Interest Accrued) and Loans Outstanding with KMP	(3,15,000)	(3,15,862)	31,19,916	34,35,778
Sitting Fees paid to Directors	3,98,730	4,04,496	Nil	Nil
Corporate guarantee and security from PVP Ventures Ltd			33,25,00,000	30,00,00,000
Corporate guarantee given to PVP Capital Ltd			100,00,00,000	100,00,00,000

24.8 EARNING PER SHARE

Particulars		Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Profit after Tax (in Rs.)	A	(5,70,91,597)	(16,55,85,864)
Number of Equity shares outstanding	B	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding	C	5,22,50,000	5,22,50,000
Number of weighted average shares outstanding including diluted potential equity shares	D	5,22,50,000	5,22,50,000
Earnings per share – Basic (in Rs.)	A/C	(1.09)	(3.17)
Earnings per share – Diluted (in Rs.)	A/D	(1.09)	(3.17)

24.9 EXPENDITURE IN FOREIGN EXCHANGE

During the year the Company has incurred expenditure in foreign exchange of Rs. 2,07,88,351/- towards Film Production Expenses and Travel expenditure. (2015-Rs.22,61,633)

24.10 The Company has not received any intimation from Suppliers, regarding their status under the Micro, Small Enterprises Development Act, 2006 and hence required disclosures such as amounts unpaid as at the year-end together with interest paid/payable have not been given.

24.11 The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.

24.12 Contingent liabilities :

- a. Company has given a corporate guarantee of Rs.100.00 Cr for its subsidiary company ie PVP Capital Limited as security for availing working capital limits from the Bank. The subsidiary company has outstanding loan with bank of Rs. 101.16 Crs as of 31st March 2016.(Rs.99.41 Crs as of 31st March 2015)
- b. Company has issued a Bank guarantee of Rs.5.00 lakhs to 'The Public Relation Officer, Southern Railway for the Production related activities in Railways and the same is pending as of 31st March 2016.

24.13 CORPORATE SOCIAL RESPONSIBILITY (CSR) :

Sl. No	Particulars	31.03.2016 in Rs	31.03.2015 in Rs
1	Average Net Profits of the Company for last three financial years in	41,105,491	100,550,000
2	Prescribed CSR Expenditure in	822,110	2,011,000
3	Unspent Amount of the Previous year	2,011,000	-
4	Total Amount to be spent for the current financial year	822,110	2,011,000
5	Amount Spent During the Year	2,011,000	-
6	Amount Unspent (3+ 4- 5)	822,110	2,011,000

As per section 135 of companies act 2013, the company should have spent Rs. 8.22 lakhs, towards CSR activities during the year 2015-16, but could not effect payment before 31st March 2016 and the same will be expensed during the current financial year 2016-17.

24.14 The previous year's figures have been regrouped/rearranged wherever necessary to make it comparable with the current year figures.

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155

For and on behalf of the Board of Directors

Sd/-
R.THIRUMALMARUGAN
Partner
Membership No. 200102

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

Sd/-
MONA RAJORA
Company Secretary

Sd/-
A. PRAVEEN KUMAR
GM - Finance & Accounts

Place : Hyderabad
Date : May 23, 2016

Place : Hyderabad
Date : May 23, 2016

CONSOLIDATED FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members, Picturehouse Media Limited, Chennai.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Picturehouse Media Limited (herein after referred to "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and the irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the consolidated financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and its associates as at 31st March, 2016, and their consolidated Loss, and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTERS

Attention is drawn to the notes to the financial statements with regard to the loans and advance for film finance and Film under-production expenses (WIP). The management is of the view that these items are considered good and realizable in the ordinary course of business. However were unable to determine whether any adjustments to these carrying amounts are necessary and provision for diminution, if any, to be made depends on the future events. Our opinion in respect of these matters is not modified.

OTHER MATTER

We did not audit the financial statements / financial information of two subsidiaries, whose financial statements / financial information reflect total assets (net) of Rs.18224.83 lakhs as at 31st March, 2016, total revenues of Rs.3434.60 lakhs and net cash flows amounting to (-) Rs.49.84 lakhs for the year then ended, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, we report, to the extent applicable, that
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

- b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors.
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- e. on the basis of written representation received from the Directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group Companies is disqualified as on 31st 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 controls over the financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure – A; 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 Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 25.11 to the consolidated financial statements
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

for M/s CNGSN & ASSOCIATES LLP
 CHARTERED ACCOUNTANTS
 Firm Registration No: 004915S

Sd/-
 R.THIRUMALMARUGAN
 Partner
 Membership No: 200102

Camp: Hyderabad
 Date : 23rd May, 2016

TO THE ANNEXURE - A 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") (Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Pitchurehouse Media Limited ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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.

QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following weakness has been identified as at 31st March, 2016. "The Companies internal control system for advance given to film finance, production work-in-progress which could potentially result in existence of uncertainty that may cast doubt about the recoverability or otherwise on some of the items and thereby non provision for the shortfall, if any, as at the balance sheet date could not have been reasonably established"

A material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, *except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria*, the Company has maintained, in all material respects, 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 issued by the ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 consolidated financial statements of the Company, and the material weaknesses does not affect our opinion on the consolidated financial statements of the Company.

OTHER MATTERS

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one Subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

for M/s CNGSN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration No: 004915S

Camp: Hyderabad
Date : 23rd May, 2016

Sd/-
R.THIRUMALMARUGAN
Partner
Membership No: 200102

CONSOLIDATED FINANCIAL STATEMENTS

PICTUREHOUSE MEDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No	As at 31-03-2016		As at 31-03-2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	52,25,00,000		52,25,00,000	
(b) Reserves and Surplus	3	18,96,40,476		28,59,85,020	
(c) Money Received against Share warrants		-	71,21,40,476	-	80,84,85,020
(2) Share application money pending allotment		-		-	
(3) Non-current liabilities:					
(a) Long-term borrowings	4	82,85,89,332		79,42,29,997	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long-term liabilities	5	-		6,41,501	
(d) Long-term provisions	6	85,02,353	83,70,91,685	61,82,860	80,10,54,358
(4) Current liabilities:					
(a) Short-term borrowings	7	1,52,19,38,809		1,29,47,12,723	
(b) Trade payables	8	77,11,690		39,56,015	
(c) Other current liabilities	9	3,11,40,835		1,44,09,610	
(d) Short-term provisions	10	8,34,26,932	1,64,42,18,266	4,37,54,901	1,35,68,33,249
Total			3,19,34,50,427		2,96,63,72,627
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	11	1,85,14,464		2,26,44,683	
(ii) Intangible assets			-	-	
(iii) Capital advances			-	-	
(iv) Intangible assets under developemnt			-	-	
(b) Non-current investments	12	43,00,000		43,00,000	
(c) Deferred tax assets (Net)		-		-	
(d) Long-term loans and advances	13	38,05,620		33,11,945	
(e) Other non-current assets		-	2,66,20,084	-	3,02,56,628
Good Will on Consolidation			3,92,646		3,92,646
(2) Current assets					
(a) Current investments	14	-		7,00,00,000	
(b) Inventories	15	96,50,75,957		77,17,26,249	
(c) Trade receivables	16	2,50,15,138		-	
(d) Cash and cash equivalents	17	82,83,427		2,75,12,964	
(e) Short-term loans and advances	18	2,14,10,38,423		2,04,36,37,897	
(f) Other current assets	19	2,70,24,752	3,16,64,37,697	2,28,46,243	2,93,57,23,353
Total			3,19,34,50,427		2,96,63,72,627

See accompanying notes to the financial statements

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 0049155

For and on behalf of the Board of Directors

Sd/-

R.THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Note No	For the Year ended 31-03-2016	For the Year ended 31-03-2015
		₹	₹
I Revenue from operations	20	1,29,42,83,085	54,83,40,400
II Other income	21	19,44,459	21,17,499
III Total Revenue (I + II)		1,29,62,27,544	55,04,57,899
IV Expenses:			
a Cost of film production expenses	22	96,03,80,774	16,63,06,120
b Purchases of Stock-in-Trade		-	-
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
d Employee benefit expenses	23	2,67,76,396	2,16,51,181
e Finance costs		31,41,57,028	21,11,29,572
f Depreciation and amortization expenses	11	61,25,726	67,65,731
g Other expenses	24	3,99,96,390	6,44,76,744
h Contingent Provision on Standard Assets		9,86,059	19,98,986
Total expenses		1,34,84,22,373	47,23,28,333
V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		(5,21,94,828)	7,81,29,565
VI Exceptional items		20,11,000	-
VII Profit/(Loss) before extraordinary items and tax (V - VI)		(5,42,05,828)	7,81,29,565
VIII Extraordinary items		-	-
IX Profit/(Loss) before tax (VII - VIII)		(5,42,05,828)	7,81,29,565
X Tax expenses			
(1) Current tax		4,22,36,962	4,99,38,850
(2) Deferred tax		-	-
(3) Earlier Year Income Tax Paid		-	(6,34,265)
Provision no longer required		-	(2,31,865)
XI Profit / (Loss) for the year from continuing operations (IX -X)		(9,64,42,790)	2,90,56,845
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax expenses of discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV Profit / (Loss) for the year (XI + XIV)		(9,64,42,790)	2,90,56,845
XVI Earnings per share:			
(1) Basic		(1.85)	0.56
(2) Diluted		(1.85)	0.56

See accompanying notes to the financial statements

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

Sd/-

R.THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2016

	Amount in ₹	
	31st March 2016	31st March 2015
A. CASH FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(5,42,05,828)	7,81,29,565
Depreciation	61,25,726	67,65,731
Interest paid on Financing Activity	31,41,57,028	21,11,29,572
Interest received on Staff advances	(19,23,254)	(19,17,999)
Loss on sale of Asset	-	3,08,087
Provision for employee benefit	24,94,199	24,19,201
Contingent Provision against standard assets	9,86,059	19,98,986
Operating Profit Before Working Capital changes	26,76,33,930	29,88,33,143
Adjustments for:		
Increase/(Decrease) in Long Term Liabilities	(6,41,501)	(9,18,596)
Increase/(Decrease) in Trade payables	37,55,675	6,42,744
Increase/(Decrease) in Current Liabilities	1,67,31,225	63,53,252
(Increase)/Decrease in Inventories	(19,33,49,708)	(52,01,66,204)
(Increase)/Decrease in Trade Receivables	(2,50,15,138)	-
(Increase)/Decrease in Long Term Loans & Advances	(4,93,675)	4,89,24,522
(Increase)/Decrease in Short Term Loans & Advances	(9,74,00,526)	(49,47,78,686)
(Increase)/Decrease in Other Current Assets	(40,80,274)	86,868
Cash Generated from Operations	(3,28,59,991)	(66,10,22,957)
Direct Taxes paid	(37,25,695)	(7,68,71,468)
Net Cash from Operating Activities	(3,65,85,686)	(73,78,94,425)
B. CASH FROM INVESTING ACTIVITIES		
Interest from Staff Advances	19,23,254	19,17,999
Proceeds from sale of Fixed Assest including Capital Advances	-	4,07,11,640
Purchase/addition to Fixed Assets	(19,95,497)	(26,16,622)
Investment made during the year	7,00,00,000	(7,40,00,000)
Net Cash used in Investing Activities	6,99,27,757	(3,39,86,983)
C. CASH FROM FINANCING ACTIVITIES		
Interest paid	(31,41,57,028)	(21,11,29,572)
Proceeds from Long Term Borrowing	3,43,59,335	40,80,60,104
Proceeds from Short Term Borrowing	22,72,26,086	59,43,39,298
Net Cash from Financing Activities	(5,25,71,607)	79,12,69,830
Net increase in cash and cash equivalents	(1,92,29,536)	1,93,88,422
Cash and cash equivalents at the beginning of the year*	2,75,12,964	81,24,541
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	82,83,427	2,75,12,964

As per our Report of even date

For M/s CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

Sd/-

R.THIRUMALMARUGAN

Partner

Membership No. 200102

Sd/-

PRASAD V. POTLURI

Managing Director

Sd/-

R. NAGARAJAN

Director

Sd/-

MONA RAJORA

Company Secretary

Sd/-

A. PRAVEEN KUMAR

GM - Finance & Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2016

		As at 31-03-2016	As at 31-03-2015	
		₹	₹	
Note:2	(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share Authorised Share Capital 80000000 Equity Shares of Rs. 10/- each Issued, Subscribed and Paid Up 52250000 Equity Shares of Rs. 10/- each			
		80,00,00,000	80,00,00,000	
		80,00,00,000	80,00,00,000	
		52,25,00,000	52,25,00,000	
		52,25,00,000	52,25,00,000	
	(B) Reconciliation of number of paid up shares outstanding equity shares Number of shares outstanding as at the beginning of the year Add: Number of Shares allotted during the year Less: Number of Shares bought back Number of equity shares outstanding as at the end of the year	5,22,50,000	5,22,50,000	
		-	-	
		-	-	
		5,22,50,000	5,22,50,000	
	(C) Equity Shares in the company held by each shareholder holding more than 5%:			
Name of shareholder	No of shares at year end 2016	% as at year end	No of shares at year end 2015	% as at year end
PVP Ventures Limited	33,53,114	6.42	33,53,114	6.42
Jhansi Sureddi	1,17,57,249	22.50	1,17,57,249	22.50
Rayudu Media Projects Private Limited	45,06,490	8.62	45,06,490	8.62
PVP Global Ventures Pvt Ltd	1,12,36,641	21.50	31,36,641	6.00
PVP Media Ventures Private Limited	1,22,99,650	23.54	1,22,99,650	23.54
Bloomfield Power Projects Private Limited	-	-	81,00,000	15.50
(D) Shareholding in the company held by holding company - PVP Ventures limited and its subbsidiary companies			2,68,89,405	1,87,89,405
Note: 3	RESERVES AND SURPLUS Capital Reserve General Reserve Statutory Reserve Securities Premium Reserve Exchange Fluctuation Reseerve Surplus (P&L a/c) as under:		22,87,500	22,87,500
			86,000	86,000
			5,00,71,411	3,61,31,783
			1,82,50,000	1,82,50,000
			(12,05,629)	(12,41,522)
			12,01,51,194	23,04,71,259
			18,96,40,476	28,59,85,020
Note-4	LONG TERM BORROWINGS From other parties - Secured (Refer Note No. 25.7)		82,85,89,332	79,42,29,997
			82,85,89,332	79,42,29,997
Note-5	OTHER LONG TERM LIABILITIES From Banks - Vehicle Loan The loans are secured by vehicle purchased on hire purchase. Current Maturity of Long Term Debt (Note: 9)		7,11,715	23,94,138
			(7,11,715)	(17,52,637)
			-	6,41,501
Note-6	LONG TERM PROVISIONS Employee Benefits		85,02,353	61,82,860
			85,02,353	61,82,860

Note-7	SHORT TERM BORROWINGS From Banks - Secured from other parties - Secured (Refer Note No. 25.7)	1,16,34,57,365	1,29,47,12,723
		35,84,81,444	-
		1,52,19,38,809	1,29,47,12,723
Note-8	TRADE PAYABLE Sundry Creditors for services	77,11,690	39,56,015
		77,11,690	39,56,015
Note-9	OTHER CURRENT LIABILITIES Income received in advance TDS Payable CSR Expenditure Current Maturity of Long Term Debt (Note No. 5)	4,87,390	55,97,390
		2,71,99,620	70,59,583
		27,42,110	-
		7,11,715	17,52,637
		3,11,40,835	1,44,09,610
Note-10	SHORT TERM PROVISIONS Provision for income tax Contingent Provision against Standard Assets (Made at @ 0.25% of the outstanding loans) Provision for employee benefits	7,69,99,148	3,84,87,881
		61,37,604	51,51,545
		2,90,181	1,15,475
		8,34,26,933	4,37,54,901
Note-12	NON CURRENT INVESTMENTS Investment in Mutual Fund Investment in Canara Robeco Mutual Funds - (NAV 43,32,121)	43,00,000	43,00,000
		43,00,000	43,00,000
Note-13	LONG TERM LOANS AND ADVANCES Security Deposits - Considered Good	38,05,620	33,11,945
		38,05,620	33,11,945
Note-14	CURRENT INVESTMENTS Investments in Mutual Funds Reliance Liquid Fund	-	7,00,00,000
		-	7,00,00,000
Note-15	INVENTORIES (Valued at cost or net realizable value which ever is less) Under Film Production Expenses	96,50,75,957	77,17,26,249
		96,50,75,957	77,17,26,249
Note-16	TRADE RECEIVABLE Secured - Considered Good Trade receivables outstanding for less than six months from the day they became due for payment.	2,50,15,138	-
		2,50,15,138	-
Note-17	CASH AND CASH EQUIVALENTS Balance with banks Cash in hand	77,89,930	2,72,63,416
		4,93,497	2,49,548
		82,83,427	2,75,12,964
Note-18	SHORT TERM LOANS AND ADVANCES Secured - Considered Good Loans and advances to related parties Advances for Film Finance - (Refer Note No. 25.8) Unsecured - Considered Good Advances for Staff Advances for Others	-	-
		2,11,87,07,873	2,01,39,74,922
		2,06,37,351	1,90,86,297
		16,93,199	1,05,76,678
		2,14,10,38,423	2,04,36,37,897
Note-19	OTHER CURRENT ASSETS Interest accrued and due on investments Advance Income Tax Service Tax Input Prepaid Expenses	10,443	-
		2,67,66,755	2,23,90,789
		19,882	
		2,27,672	4,55,454
		2,70,24,752	2,28,46,243

PICTUREHOUSE MEDIA LIMITED
NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

		For the year ended 31-03-2016	For the year ended 31-03-2015
		₹	₹
Note-20	INCOME		
	Income from Movie Rights & Related Activities	1,29,42,83,085	54,83,40,400
		1,29,42,83,085	54,83,40,400
Note-21	OTHER INCOME		
	Interest income	-	-
	Interest income on Staff Advances	19,23,254	19,17,999
	Misc Income	21,205	1,99,500
		19,44,459	21,17,499
Note-22	COST OF FILM PRODUCTION EXPENSES		
	Opening Film Production Expenses	77,17,26,249	25,15,60,045
	Add: Current year Expenses	1,15,37,30,482	68,64,72,324
		1,92,54,56,731	93,80,32,369
	Less: Closing Film Production Expenses - WIP	96,50,75,957	77,17,26,249
		96,03,80,774	16,63,06,120
Note-23	EMPLOYEE BENEFIT EXPENSES		
	Salaries and wages	2,56,23,198	2,03,54,860
	Contribution to PF and other funds	2,61,748	2,91,069
	Staff welfare expenses	8,91,450	10,05,252
		2,67,76,396	2,16,51,181
Note-24	OTHER EXPENSES		
	Rent	94,12,376	89,01,098
	Insurance	3,83,563	4,33,484
	Power and Fuel	14,25,800	12,27,750
	Printing & Stationery	7,32,277	7,29,430
	Communication Expenses	16,95,065	13,50,204
	Repairs to machinery	5,19,801	4,62,652
	Registration Charges	68,269	7,595
	Security Charges	4,39,728	4,33,615
	Rates & taxes	1,92,881	1,01,233
	Payment to statutory auditors		
	as auditors	18,06,374	19,16,958
	for tax audit	2,50,000	2,80,900
	for certification	3,00,000	2,88,989
	Directors Sitting Fees	5,62,235	4,04,496
	Legal, Professional and consultancy	45,69,552	61,95,601
	Brokerage & Commission	-	2,80,90,000
	Office Maintenance	42,79,816	21,87,098
	Advertisement, publicity and sales promotion	2,64,743	3,37,000
	Investor related expenses including Listing Fees	5,82,875	4,94,940
	Travelling Expenses including Conveyance	95,55,214	87,26,919
	CSR Expenditure	27,42,110	-
	TDS Receivable Written Off	1,33,561	15,82,900
	Provision for Doubtful Advances	64,250	-
	Loss sale of asset	-	3,08,087
	Exchange Fluctuation Loss	3,666	-
	Miscellaneous expenses	12,235	15,795
		3,99,96,390	6,44,76,744

PICTUREHOUSE MEDIA LIMITED
Note-11 : FIXED ASSETS - TANGIBLE

Description	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2015	Addition	Deletion	As at 31st March, 2016	As at 1st April, 2015	Addition	Deletion	As at 31st March, 2016	As at 31st March, 2015
Plant & Machinery	₹ 1,72,101	₹ -	₹ -	₹ 1,72,101	₹ 50,026	₹ 37,962	₹ -	₹ 84,113	₹ 1,22,075
Computers & Related Assets	40,85,538	1,79,624	-	42,65,162	26,47,276	10,99,183	-	5,18,703	14,38,262
Furniture & Fixtures	24,21,775	28,736	-	24,50,511	6,15,777	3,41,097	-	14,93,637	18,05,998
Vehicles	1,86,85,054	6,00,000	-	1,92,85,054	51,07,832	23,70,884	-	1,18,06,338	1,35,77,222
Office Equipments	86,66,237	11,87,137	-	98,53,374	29,65,101	22,76,600	-	46,11,673	57,01,136
	3,40,30,705	19,95,497	-	3,60,26,202	1,13,86,012	61,25,726	-	1,85,14,464	2,26,44,683
Previous year	3,27,63,072	26,16,622	13,48,989	3,40,30,705	48,73,693	67,65,731	2,53,402	2,26,44,683	2,78,89,379

Note: Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being Depreciated/Amortised over the revised/remaining useful lives. Hence the Depreciation charges is more 2016: Nil (2015: ₹. 36,71,318/-).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

- (A) The financial statements of the Group have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounts) Rules, 2014 issued by the Central Government and the relevant provisions of the Companies Act, 2013, as amended to the extent applicable.
- (B) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The actual results could differ from those estimates.
- (C) Principles of Consolidation: The Group's consolidated financial statements include those of Picturehouse Media Limited (PHML) and its subsidiary companies PVP Cinema Private Limited, PVP Capital Ltd, Picturehouse Media Private Limited, Singapore. All significant inter-company transactions and balances have been eliminated in the consolidated statements.
- (D) List of subsidiaries and proportion of voting power held:

Name of Subsidiary	Country of incorporation/ Residence	Proportion of Ownership interest / Proportion of Voting power held
PVP Cinema Private Limited (PCPL)	India	100 % (Wholly owned Subsidiary)
PVP Capital Limited (PCL)	India	100 % (Wholly owned Subsidiary)
Picturehouse Media Private Limited (PHMPL)	Singapore	100% (Wholly owned Subsidiary)

- (E) Going Concern: During the previous year, PVP Cinema Private Limited is fully dependent upon the financial and administrative support of its holding company Picturehouse Media Limited. Hence, the financial statements are prepared on going concern basis.
- (F) During the year Bloomfield Power Projects Private Limited was merged with the PVP Global Ventures Private Ltd, which is a 100% subsidiary of PVP Ventures Ltd in all share swap deal as per the scheme of merger approved by High Court of Madras on 24th July 2015 with the appointed date of merger as 10th November 2014. After the said merger the Group has become subsidiary of PVP Ventures Ltd (PVP). Total Investment of 51.46% in PHML is held by PVP along with its subsidiaries.

1.2 REVENUE RECOGNITION

Income from Movie and related rights are recognized in accordance with the terms of the agreement on accrual basis. Sale of Intangibles are recognized when asset are sold to customers which generally coincides with the delivery and acceptance. Income earned on licensing the copyrights is recognized on time proportionate basis. Interest income is recognized on time proportionate basis. Where loans have been classified as non-performing assets the interest is recognized on collection basis as per RBI guidelines.

1.3 USE OF ESTIMATES

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of fixed assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

1.4 FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at acquisition cost. Depreciation is charged as per Schedule II to the Companies Act, 2013, as amended.

1.5 INVENTORY

Inventory at the yearend consists of film production Work in progress (WIP). The inventory WIP are valued at cost or net realizable value whichever is less. Cost includes direct and indirect cost relating to film production activity.

1.6 INVESTMENTS

Long-term investments are stated at cost less diminution, other than temporary, in the value of such investments, if any. Current investments are valued at cost or market value whichever is lower.

1.7 BENEFITS TO EMPLOYEES

GRATUITY

The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised Accounting Standard 15 (Revised 2005) on "Employee Benefits" as at the end of the period. Actuarial Gains/Losses are recognized immediately in Profit & Loss Account.

LEAVE ENCASHMENT

Leave encashment is paid for in accordance with the rules of the Group and provided based on an actuarial valuation as at the balance sheet date. Actuarial Gains/Losses are recognized immediately in Profit & Loss Account.

OTHER BENEFIT PLANS

Contributions paid/ payable under defined contribution plans are recognized in the Profit and Loss Account in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The Group makes monthly contributions and has no further obligations under the plan beyond its contributions.

1.8 FOREIGN CURRENCY TRANSACTIONS

All foreign currency transactions are accounted for at the rates prevailing on the dates of the transaction. Foreign currency assets and liabilities are converted at the yearend rates as applicable. The exchange difference on settlement / conversion is adjusted to Statement of Profit and Loss.

1.9 TAXES

Tax expense comprises current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws. Deferred income taxes reflect 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 recognised 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

1.10 LEASES

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are made to the HP vendors as per the EMI's given in the hire purchase agreements. The finance charges are debited to the profit & loss statement and the principal amount is adjusted against the liability created for the vendor.

Lease rental in respect of operating lease arrangements are charged to expense on a straight-line basis over the term of the related lease agreement.

1.11 BORROWING COST

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan.

1.12 SEGMENT REPORTING

The Holding Company, Picturehouse Media Limited operates only in entertainment segment, whereas PVP Cinema Private Limited, the subsidiary, did not have any commercial activity during the year and PVP Capital Ltd is in the media financing business and Picturehouse Media Private Limited, Singapore operates only in entertainment segment. Hence the group operations are under one segment i.e movie and related activities.

1.13 IMPAIRMENT OF ASSETS

The Group reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which the impairment takes place.

1.14 CASH FLOW STATEMENT

The Cash Flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

1.15 EARNINGS PER SHARE

The earnings considered for ascertaining the Group's Earnings Per Share comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises of the weighted average number of shares considered for deriving Basic EPS and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized when the Group has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made, the fact is disclosed.

NOTE-25 OTHER ITEMS

25.1 PROVISION FOR TAXATION

The provision for deferred tax asset/liability for the year ended March 31, 2016 has been made in accordance with AS-22 on Accounting for Taxes on Income.

Particulars	For the year ending(Rs.)	
	31stMarch 2015	31st March 2016
Opening balance of deferred tax assets	6,68,275	4,73,95,432
Add: Timing difference on account of gratuity and leave encashment	6,94,683	4,65,073
Deferred tax asset on account of Income tax losses	4,89,55,009	4,87,88,819
Total deferred tax assets	5,03,17,967	9,66,49,324
Less: Timing difference on account of depreciation	29,22,535	8,59,158
Net Deferred tax assets as at the year end	4,73,95,432	9,57,90,166

Deferred tax assets are not recognised on the consideration of prudence as on 31.3.2016.

The Provision for taxes has been made as per applicable laws.

25.2 The Group has entered into operating lease agreements for its office premises which can be cancelled at any point of time by giving necessary notice period. During the year, the Company has also entered into a Hire purchase Agreement for purchase of Vehicles.

The lease rentals paid during the year and the future lease obligations including HP & EMI repayment for the agreement in vogue as at March 31, 2016 are as follows:

Particulars	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
a) Future lease obligations		
Due within 1 year from the Balance Sheet date	18,52,587	7,11,715
Due between 1 and 5 years	5,65,062	Nil
Due after 5 years	Nil	Nil
b) Lease rent paid during the year	89,01,098	94,12,376

Details of assets under Hire purchase

Particulars	Gross Block(Rs.)	Depreciation (Rs.)	Net block (Rs.)
Vehicles	1,56,28,656	60,40,819	95,87,837

25.3 EXPENDITURE IN FOREIGN EXCHANGE

During the year the Group has incurred expenditure in foreign exchange of Rs. 2,07,88,351/- towards Film Production Expenses. (2015- Rs.22,61,633).

25.4 EARNINGS PER SHARE

Particulars	Ref	Year ended March 31, 2015 (in Rs.)	Year ended March 31, 2016 (in Rs.)
Profit after Tax (in Rs.)	A	2,90,56,845	(9,64,42,790)
Number of shares outstanding of face value of Rs.10 each	B	5,22,50,000	5,22,50,000
Weighted average number of Equity Shares outstanding	C	5,22,50,000	5,22,50,000
Weighted average number of shares outstanding including diluted potential equity shares	D	5,22,50,000	5,22,50,000
Earnings per share – Basic in Rs.	A/C	0.56	(1.85)
Earnings per share – Diluted in Rs.	A/D	0.56	(1.85)

25.5 The Group has not entered into any derivative contracts during the year under review and also does not have any foreign currency exposure as at March 31, 2016.

25.6 The Group has not received any intimation from Suppliers, regarding their status under the Micro, Small Enterprises Development Act, 2006 and hence required disclosures such as amounts unpaid as at the year-end together with interest paid/payable have not been given.

25.7 Long Term and Short Term Secured Loans are borrowed for the purpose of advancing film production/film finance. Bank loans are secured by charge on the film production rights undertaken by the company and collateral security of land given by group companies and promoters. Borrowings from banks and others are secured by way of charge on some of the advance to film production/finance. All the loans are personally guaranteed by Mr.Prasad V Potluri, Managing Director and Mrs.Jhansi Sureddi wife of Managing Director.

25.8 Advance made for film finance are on the security of hypothecation of assets, mortgage of property, personal guarantee, assignment of rights, lien on film negative, undertaking to create security, etc.

25.9 The "Provision for Income Tax (Net of TDS / Advance Tax)" Grouped under "Short Term Provisions" includes a sum of Rs. 3,84,73,435/- pertaining to the Income tax due for the AY 2015-16, which remains unpaid till 31st March,2016 in PVP Capital Ltd

25.10 In PVP Capital Ltd : The "Loans – Film Finance" grouped under "Short Term Loans and Advances" include Rs.35,66,00,357/- being the loan portfolio taken over from the Lender during the year and is Guaranteed by the Lender.

25.11 CONTINGENT LIABILITIES

- PHML- Holding Company has issued a Bank guarantee of Rs.5.00 lakhs to 'The Public Relation Officer, Southern Railway for the Production related activities in Railways and the same is pending as of 31st March 2016.
- In PVP Cinema Private Limited :The Income tax assessment for the AY 2009-10 has been completed. The ITAT, Chennai has set aside the order of Assessing Officer (AO) to redo the Assessment which was completed by the AO on 25/03/2016 with the demand of Rs. 1,35,97,670/-. The said order has been disputed before CIT (A). The ITAT has directed to pay a sum of Rs. 20 lakhs pending dispute during the FY 2014-15, which was paid and shown under "Other Current Assets". Considering the chances of success, the Provision for Income Tax not provided for.

25.12 RELATED PARTY TRANSACTIONS : KMP & RELATIVES ARE INTERESTED :-

List of related parties where control exists and related parties with whom transactions have taken place and relationships are as follows:

Names of the Related party	Relationship
Mr. Prasad V. Potluri	Key Managerial Personnel
Mr. A. Praveen Kumar	
Mr. Bhargava Burra wef 26.09.2014 till 14.08.2015	
Ms. Mona Rajora wef 17.08.2015	
Mr. Vinay Chilakapati	
Mr. Rajeev Kamineni	
Mrs. S. Padma Potluri	Directors
Mr. R. Nagarajan	
Mr. N.S. Kumar	
PVP Ventures Ltd (PVP)	Holding company

Nature of transactions	Transactions for the year ended (in Rs.)		Balance as at (in Rs.)	
	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016
Salaries & Perquisites paid to KMP	22,80,000	20,55,000	Nil	Nil
(Interest Accrued) and Loans Outstanding with KMP	(16,03,001)	(16,07,392)	1,54,83,381	1,68,90,773
Sitting Fees paid to Directors	4,04,496	5,62,235	Nil	Nil
Corporate guarantee and security from PVP to PHML			33,25,00,000	30,00,00,000
Corporate guarantee and Security from PVP to PCL			100,00,00,000	100,00,00,000

25.13 Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs Nil (Nil)

25.14 CORPORATE SOCIAL RESPONSIBILITY (CSR) :

Sl. No	Particulars	31.03.2016 in Rs	31.03.2015 in Rs
1	Average Net Profits of the Company for last three financial years	13,70,77,813	13,27,72,416
2	Prescribed CSR Expenditure	27,42,110	26,61,000
3	Unspent Amount of the Previous year	26,61,000	-
4	Total Amount to be spent for the current financial year	54,03,110	26,61,000
5	Amount Spent During the Year	26,61,000	-
6	Amount Unspent (3+ 4- 5)	27,42,110	26,61,000

As per section 135 of companies act 2013, the group should have spent Rs. 27.42 lakhs, towards CSR activities during the year 2015-16, but could not effect payment before 31st March 2016 and the same will be expensed during the current financial year 2016-17.

25.15 The previous year's figures have been regrouped/rearranged wherever necessary to make it comparable with the current year figures.

As per our Report of even date
For M/s CNGSN & ASSOCIATES LLP
 CHARTERED ACCOUNTANTS
 Firm.Reg.No. 0049155

For and on behalf of the Board of Directors

Sd/-
R.THIRUMALMARUGAN
 Partner
 Membership No. 200102

Sd/-
PRASAD V. POTLURI
 Managing Director

Sd/-
R. NAGARAJAN
 Director

Sd/-
MONA RAJORA
 Company Secretary

Sd/-
A. PRAVEEN KUMAR
 GM - Finance & Accounts

Place : Hyderabad
 Date : May 23, 2016

Place : Hyderabad
 Date : May 23, 2016

PICTUREHOUSE MEDIA LIMITED
Regd. Office: KRM Centre, 9th Floor, Door No.2, Harrington Road,
Chetpet, Chennai – 600 031

FORM NO. MGT – 11
PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN	L92191TN2000PLC044077
Name of the Company	Picturehouse Media Limited
Registered Office	KRM Centre, 9th Floor, Door No.2, Harrington Road, Chetpet, Chennai – 600 031
Name of the Member(s): Registered Address: E-mail id: Folio No./Client Id: DP ID:	

I/We, being the member(s) ofshares of the above named Company, hereby appoint:

1. Name: _____
Address: _____
Email Id: _____ Signature: _____ or failing him/her
2. Name: _____
Address: _____
Email Id: _____ Signature: _____ or failing him/her
3. Name: _____
Address: _____
Email Id: _____ Signature: _____ or failing him/her

as may/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Tuesday, September 27, 2016 at 11.30 A.M. at Hotel Green Park, 'Vauhini Hall', No.183, NSK Salai, Arcot Road, Vadapalani, Chennai, Tamil Nadu – 600 026 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote**	
		For	Against
Ordinary Business:			
1	Consider and adopt audited Financial Statements, Reports of the Board of Directors’ and Auditors’ thereon for the financial year ended March 31, 2016		
2	To appoint a Director in place of Mrs. Sai Padma Potluri (DIN: 01683528) who retires by rotation and being eligible offers herself for re-appointment.		
3	To appoint M/s. Brahmayya & Co., as Statutory Auditors of the Company from the conclusion of this 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting.		

Signed this.....day of2016

Signature of Shareholder.....

Signature of Proxy holder(s).....

Please Affix
Re.1/- Revenue
Stamp and sign
across

1. The proxy duly completed should be deposited at the Registered Office of the Company not less than 48 hours (forty eight hours) before the time fixed for holding the meeting.
2. A proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

PICTUREHOUSE MEDIA LIMITED

CIN: L72300TN1991PLC020122
Regd. Office: KRM Centre, 9th Floor, Door No.2, Harrington Road,
Chetpet, Chennai – 600 031

ATTENDANCE SLIP

I hereby record my presence at the 17th Annual General Meeting of the company being held on Tuesday, September 27, 2016 at 11.30 A.M. at Hotel Green Park, 'Vauhini Hall', No.183, NSK Salai, Arcot Road, Vadapalani, Chennai, Tamil Nadu – 600 026

Name of the Shareholder : _____

Name of the Proxy : _____

Signature of member/proxy : _____

Regd. Folio/*Client ID : _____

*Applicable for members holding shares in electronic form

Note: To be signed and handed over the entrance of the meeting venue.

NOTES

NOTES

LEFT INTENTIONALLY BLANK



KRM Centre, 9th Floor, Door No.2, Harrington Road, Chetpet, Chennai-600031.
T: +91-44-3028 5570, E: ir.telphoto@pvpglobal.com