ANNUAL REPORT 2016/17

pvp CINEMA

PICTUREHOUSE MEDIA LIMITED

CONTENTS

Chairman's message

Dear Shareholders,

The Indian Media and Entertainment (M&E) industry is a booming sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. India is one of the highest spending and fastest growing advertising market globally.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.3 per cent to touch Rs. 2.26 trillion (US$ 33.9 billion) by 2020, while revenues from advertising is expected to grow at 15.9 per cent to Rs. 99,400 crores (US$ 14.91 billion).

In 2015, the M&E sector grew at 12.8%, while overall advertising grew at 14.7% over 2014. Growth for television advertising is projected at a CAGR of 15% between 2015 and 2020, while print media is expected to grow at 8.6%, according to a report by consulting firm KPMG and lobby group FICCI (Federation of Indian Chambers of Commerce and Industry).

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 3 releases during the year viz., Brahmotsavam (in Telugu), The Ghazi Attack (in Telugu, Tamil and Hindi) and Kashmora (in Telugu).

The 'PVP Cinema' 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

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

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 Brahmayya & Co.
Chartered Accountants
No. 48, Masilamani Road, Balaji Nagar,
Royapettah, Chennai - 600014.

PRINCIPAL BANKERS
Canara Bank
Central Bank of India

REGISTERED OFFICE
KRM Centre, 9th Floor, Door No. 2
Harrington Road,
Chetpet, Chennai - 600031

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 - 500034

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 is hereby given that the 18th Annual General Meeting of the Members of Picturehouse Media Limited will be held on Thursday, September 28, 2017 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, 2017 and the Reports of the Board of Directors and the Auditors thereon.

2. To ratify appointment of M/s. Brahmayya & Co. as Statutory Auditors and fix their remuneration 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 17th Annual General Meeting appointing Brahmayya & Co., Chartered Accountants, (FRN: 000511S) as Statutory Auditors of the Company to hold office until the conclusion of 22nd Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Brahmayya & Co., as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

3. To re-appoint Mr. Prasad V. Potluri as Managing Director of the Company

   To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to provisions of Sections 178, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force), and the consent of the members, be and is hereby, accorded for the reappointment of Mr. Prasad V. Potluri as Managing Director of the Company for a period of five years from May 31, 2017 to May 30, 2022 without any remuneration.

   RESOLVED FURTHER THAT the Directors, CFO and Company Secretary of the Company be and are hereby authorized to file requisite form with the Registrar of Companies, Tamil Nadu and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
for PICTUREHOUSE MEDIA LIMITED

Sd/-
Mona Rajora
Company Secretary

Date : August 8,2017
Place : Chennai

NOTES

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.

2. **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.**

3. 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.

4. 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.

5. In case of joint holders, the first joint holder will be entitled to vote in the meeting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2017 to September 28, 2017 (both days inclusive) for the purpose of Annual General Meeting.

7. 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, 2017 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

8. 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.

9. 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.

10. 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 maliciousallegations made by the shareholders with ulterior motives.

11. 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.

12. The Annual Report of the Company for the year 2016-17 circulated to the Members of the Company is available on the Company's website, viz. www.pvpcinema.com

13. 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.

14. The e-voting facility will be available at the link http://evoting.karvy.com during the voting period.

15. 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.

16. 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, 2017 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.

17. Members are requested to note that the e-voting will open on September 25, 2017 at 9.00 a.m. and shall remain open for 3 days i.e. up to September 27, 2017 and it shall not be allowed beyond 5 p.m. on September 27, 2017.

18. 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 dhr300@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. (a) to (l) 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@pvpgloal.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 25, 2017 (9.00 A.M. IST) and ends on September 27, 2017 (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, 2017, 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, 2017.

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, 2017, 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.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors, at its Meeting held on May 30, 2017 reappointed Mr. Prasad V. Potluri as Managing Director with effect from May 31, 2017 for a period of five years i.e. upto May 30, 2022 on the terms and conditions as set out in the resolution, subject to the approval of shareholders of the Company.

Mr. Prasad V. Potluri is a serial entrepreneur in the global outsourcing services space; he has successfully built and sold 3 companies while serving the needs of the Fortune 1000 marketplace. Within the global investment community, he is a respected thought leader. During an entrepreneurship-packed decade, he has been the driving force behind many companies, including ProconInc, Albion Orion Company LLC, Irevna Ltd. Procon Inc. was acquired by RCM Technologies in 1998. AOC, LLC was acquired by SSI in 2000 for INR 292 Crores, the then largest cross-border deal. Irevna Limited was acquired by CRISIL (S&P India) in 2005. He is a Strategic Investor in Maven Corp and Karvy Consultants & a Founding Investor of CBay Systems.

Mr. Prasad V. Potluri is not related to any Director of the Company.

He is also the Managing Director of PVP Ventures Limited. He is the member of Audit committee, CSR Committee and Stakeholders relationship committee of Picturehouse Media Limited and member of Audit Committee, CSR Committee and Stakeholders relationship committee of PVP Ventures Limited.

No director except Mr. Prasad V. Potluri, Key Managerial Personnel or their relatives, are interested in the resolution.

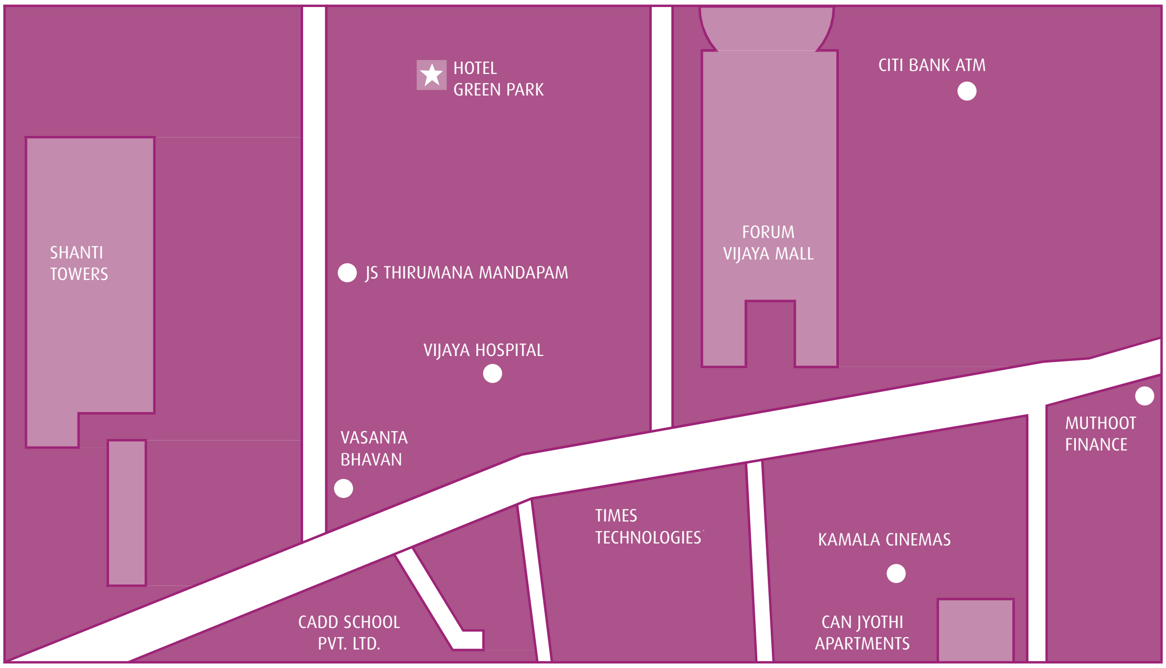
By order of the Board of Directors
for PICTUREHOUSE MEDIA LIMITED

Sd/-
Mona Rajora
Company Secretary

Date : August 8, 2017
Place : Chennai

ROUTE MAP TO THE VENUE OF THE AGM

Hotel Green Park
'Vauhini Hall'
No. 183, NSK Salai, Arcot Road,
Vadapalani, Chennai - 600026



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, 2017.

FINANCIAL RESULTS

[Rs. in Lakh]

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	2015-2016	**2016-17**	2015-2016
Total Income	9690.75	9529.77	11816.01	12964.38
Operational, Administration and Other Expenses	10147.93	10120.72	10236.80	10284.50
Profit/(Loss) Before Depreciation Interest and Tax	(457.18)	(590.95)	1579.21	2679.88
Depreciation	50.76	61.05	50.85	61.26
Interest and Finance Charges	786.87	1005.47	2762.96	3142.47
Profit/(Loss) Before Exceptional Items	(1294.81)	(1657.47)	(1234.60)	(523.85)
Exceptional Items	(84.06)	-	(102.76)	-
Profit/(Loss) Before Tax	(1210.75)	(1657.47)	(1131.84)	(523.84)
Tax Expense	(11.74)	-	37.57	422.37
Profit/(Loss) after Tax	(1199.01)	(1657.47)	(1169.41)	(946.22)

STATE OF THE COMPANY'S AFFAIRS

During the financial year 2016-17, the Company witnessed losses both on Standalone and Consolidated basis. The total revenue of the Company for the financial year ended 31 March, 2017 on Standalone basis is Rs. 96.68 crores as compared to the previous year's total revenue of Rs. 95.08 crores. Further, total revenue on consolidated basis is Rs. 117.93 crores as compared to the previous year's total revenue of Rs. 129.43 crores.

The Standalone Loss after tax stood at 11.99 crores as against loss of Rs. 16.57 crores in 2016. Further, the Consolidated Loss after tax stood at Rs. 11.69 crores as against loss of Rs. 9.46 crores in 2016.

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 losses 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, 2017.

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, 2017.

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. 26.7 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, 2017, 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. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity.

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

No Director(s) of the Company are being eligible to offer themselves for re-appointment.

Mrs. P. Sai Padma, Director of the Company have resigned from the Company w.e.f. March 6, 2017.

The details of training and familiarization programs and Annual Board Evaluation process for directors have been provided under the Corporate Governance Report.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the criteria which may affect his status as an independent Director, gives a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

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.**

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

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. P.Sai Padma	Member

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

* Mrs. P. Sai Padma, Director of the Company have resigned from the Company w.e.f. March 6, 2017.

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, 2017, 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 Brahmayya & Co., Chartered Accountants, (FRN: 000511S) were appointed as Statutory Auditors of your Company at the 17th Annual General Meeting held on September 27, 2016 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In this regard, M/s. Brahmayya & Co., Chartered Accountants have submitted their written consent that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

Accordingly, the Board recommended ratification of the appointment of M/s. Brahmayya & Co., Chartered Accountants as the Statutory Auditors of the Company at the this Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation,adverse remark or disclaimer given by the Auditors in their Report.

AUDITORS' REPORT

The Auditors' Report for the financial year 2016-17 is an "Un-qualified" report and the said Report together with the Audited Accounts for the financial year ended March 31, 2017 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 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for financial year 2016-17 forms part of the Annual Report as **Annexure 3** of the Board's Report.

Auditors Qualification

As on 31st March, 2017, Board of the company does not have a Woman Director. Ms. Sai Padma Potluri, who was acting in the capacity of Non-executive Woman Director, has resigned on 06th March, 2017 which resulted in vacancy of a Woman Director on the Board of the Company.

Further, due to her resignation the constitution of Nomination and remuneration committee is not as per Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Comments on the above qualification:

The Board is of the view that the Company is making earnest efforts to appoint a suitable and affordable Woman Director having an adequate industry knowledge and experience, which can be utilised for the growth of the Company.

After the appointment of the Woman Director, the nomination and remuneration committee will be reconstituted to induct the woman director as member of the committee in line with the provisions of the Companies Act, 2013.

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 2017-18.

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.

The company has internal control through sufficient policies and procedures over the recoverability of advances made for film financing and provide reasonable assurance that such advances would not affect the company adversely.

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

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.

The company is required to spend Rs. 8.22 Lakhs for the financial year 2015-16 and the same will be expended in future years. However, Average Net Profits of the Company for the last three financial years is negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year.

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 and there are no elements of risk, which in the opinion of Board of Directors may jeopardize the existence of the Company.

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, 2017:

- 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)	**Nil**	207.88
Total	**Nil**	207.88

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 8, 2017
Place : Chennai

Sd/
Prasad V. Potluri
Managing Director

Sd/-
R. Nagarajan
Director

MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Structure & Development

Films

The Indian Media and Entertainment (M&E) industry is a booming sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. India is one of the highest spending and fastest growing advertising market globally.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.3 per cent to touch Rs 2.26 trillion (US$ 33.9 billion) by 2020, while revenues from advertising is expected to grow at 15.9 per cent to Rs 99,400 crores (US$ 14.91 billion).

In 2015, the M&E sector grew at 12.8%, while overall advertising grew at 14.7% over 2014. Growth for television advertising is projected at a CAGR of 15% between 2015 and 2020, while print media is expected to grow at 8.6%, according to a report by consulting firm KPMG and lobby group FICCI (Federation of Indian Chambers of Commerce and Industry).

Opportunities

India is still under penetration in terms of screens which means there is a huge scope of growth for the film industry. With the proliferation of multiplex screens, coupled with technology to conveniently book tickets - the footfalls are expected to increase. Growing popularity of VOD services has opened up a new revenue stream for films. The Film sector is projected to grow to INR 227 billion by the end of 2020 at a CAGR of 10.5% for 2015-2020.

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitalising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

Digital India on OTT Platform

As the second largest and fastest growing market for smartphones in the world, India is witnessing an increase in content consumption on handheld devices (mobile phones) via over-the-top (OTT) platforms.

The reasons for this spurred consumption pattern are improvement in speeds of internet, lower 4G internet tariffs by telecom companies and easy availability of low cost smartphones.

In India, "Hot Star" is the Over the Top platform equivalent to "Netflix" in US. There is a huge opportunity in this field, where films, operas, serials, reality shows etc. are beamed live stream. There is a tremendous opportunity for the Company in revenue generation in this field.

The OTT market in India is estimated to grow from $202 million in 2016 to $272 million in 2017 with better telecom infrastructure and rise in data consumption. India is at the cusp of a change in the pattern of viewing content.

While the switch to smartphone and tablets is currently more of an urban phenomenon, this should change in the years ahead. Video streaming platforms have become a competitive space in India in the recent past and 2017 will be a crucial year with a lot of new players coming in, creating more buzz in this space. In the battle of grabbing attention of the coveted billion-plus audience, with lowered prices and richer selections, the Indian customer is expected to emerge as the biggest beneficiary in this space.

Threats, Risks & Concerns

Audience tastes are constantly evolving and difficult to predict with accuracy. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated non-performance of the shows would have an adverse impact on the bottom line of the Company.

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business.

The consumer uptake in the international markets have been sluggish. Given the global economic slowdown, consumers may find it difficult to upgrade their packages and the value growth from these markets may get affected.

The issue of piracy remains a critical issue for the Indian Film industry.

India's movie industry per se remains highly informal, personality-oriented and family-dominated.

Outlook

The overall entertainment industry in India is taking on professional colours and this will change the culture of the film industry too. Films continue to be a dominant source of entertainment in India.

The Film Federation of India is actively seeking to make film financing a viable proposition for banks. It is likely that films would also be insured to offset possible losses for banks. The granting of industry status to the film industry will eventually allow overboard financing of films, though this will result in production of fewer films than at present.

Stricter enforcement of copyright law will help the film industry in its fight with cable operators.

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. Property, Plant & Equipment: There is no significant changes in the Property, Plant and Equipment's (Fixed Assets) of the Company.

B. Non-Current Investments: Investments represents the amount invested by the company in Mutual Funds.

C. Long term & Short term loans & advances: This indicates various other advances made by the Company towards film production and film financing as part of its business operations.

D. Inventories: Inventory at the year-end consists of film production work in progress.

E. Capital Structure: There is no change in the capital structure during the period under report.

F. Reserves & Surplus: The decrease in Reserves & Surplus has been contributed by the loss for the year under report.

G. Borrowings: The Current and Non- Current Borrowings as at the end of financial year 2017 stood at Rs. 168.28 Crores as against Rs. 228.49 Crores in 2016.

H. Revenue from Operations: The consolidated revenue from operations has decreased to Rs. 117.93 crores from Rs. 129.43 crores during the previous year.

I. Cost of Sales: The movie production expenses for the year 2017 stood at Rs.97.83 crore, which represents the expenses incurred on production of movies by the company and released during the year.

J. Employee Benefit Expenses: The decrease in employee benefit expenses is due to reduction number of Top Level Employees and thereby reduction in provision made for retirement benefits and other perquisites extended to employees.

K. Net Profit: The consolidated net loss for the year was Rs. 11.65 crores as against a net loss of Rs. 9.34 crores 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.

Disclosure of Accounting Treatment

The Company has adopted all the Ind AS Standards and the adoptions was carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under sec 133 of the companies act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

[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 Limited 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 Three Directors comprising 1 (one) Executive Director and 2 (two) Independent Non-Executive Directors, as on March 31, 2017. 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 17th Annual General Meeting

The attendance of the Directors at the Meeting of Board of Directors held during financial year 2016-17 is as follows:

Name of the Director	Number of Meeting		Attendance at the AGM held on September 27, 2016 (17th AGM)
	Held	Attended	
Mr. Prasad V. Potluri	5	4	Yes
Mr. R. Nagarajan	5	5	Yes
Mr. N S Kumar	5	5	Yes
*Mrs. Sai Padma Potluri	5	2	No

*Mrs. Sai Padma Potluri have resigned from the Company w.e.f. March 6, 2017.

The necessary quorum was present for all the Board Meetings and the 17th 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 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, 2017:

Name of the Director	Designation / Position	Date of Appoint-ment	DIN	Directorship In Other Companies	Position on Committees of the Board of Other Indian Companies	
					As Chairman	As Member
Mr. NS Kumar	Non-Executive and Independent Director	27.04.2006	00552519	6	Nil	4
Mr. R. Nagarajan	Non-Executive and Independent Director	27.04.2006	00443963	5	4	Nil
*Mrs. Sai Padma Potluri	Non-Executive Director	28.03.2015	01683528	Nil	Nil	Nil
Mr. Prasad V. Potluri	Managing Director	04.12.2007	00179175	3	Nil	2

Notes

i) Mr. Prasad V. Potluri and Mrs. P. Sai Padma are related to each other.

ii) As required by Regulation 26 of SEBI(LODR) Regulations, 2015 the disclosure includes Membership/ Chairpersonship of the Audit Committee and Stakeholders Relationship Committee only.

iii) *Mrs. P. Sai Padma, Director of the Company have resigned from the Company w.e.f. March 6, 2017.

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

d. **Number of Board Meetings**

During the year ended March 31, 2017, 5 (five) Board Meetings were held. 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 2016-17 i.e., on May 23, 2016, August 17, 2016, September 14, 2016, December 14, 2016 and February 07, 2017.

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, 2017, none of the Non - Executive Directors held any shares in the Company.

g. **Directors Induction and Familiarization**

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.

The Independent Directors have held a meeting on February 07, 2017, reviewed and discussed, the performance of non-independent directors and Board as a whole, and assessed the quality, quantity and timelines of flow of information between the company management and the Board which is necessary for the Board to effectively and reasonably perform their duties, 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**

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 thereon;

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.

xxviii) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and

xxix) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

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, 2017

The Audit Committee met five times during the financial year 2016-17 i.e., on May 23, 2016, August 17, 2016, September 14, 2016, December 14, 2016 and February 07, 2017 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	5	5
Mr. N S Kumar	Non-Executive and Independent Director	Member	5	5
Mr. Prasad V. Potluri	Managing Director	Member	5	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:

i) 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;

ii) 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, 2017

The Nomination & Remuneration Committee met one time during the financial year 2016-17 i.e., on May 23, 2016.

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

* Mrs. P. Sai Padma has resigned from the Directorship as well the Membership of the Nomination and Remuneration Committee w.e.f March 6, 2017.

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	1,49,000
Mr. N S Kumar	1,49,000
Mrs. P. Sai Padma	45,600

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 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, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated regularly as per Regulation 46 of the SEBI(LODR) Regulations, 2015.

The Committee met 4 times on May 23, 2016, September 14, 2016, December 14, 2016 and February 07, 2017 during the financial year 2016-17.

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
2015-16	Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani,Chennai – 600026 Tamil Nadu	September 27, 2016 11.30 a.m.
2014-15	Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani, Chennai – 600026 Tamil Nadu	September 29, 2015 11.30 a.m.
2013-14	The Kings Hall, The Pleasant Days Resort Chennai-Bangalore Highway, Palanjur, Sembarambakkam, Chennai - 600123 Tamil Nadu	September 26, 2014 11.30 a.m.

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

i) 2015-16 - NIL

ii) 2014-15 – NIL

iii) 2013-14 – To alter the Articles of Association of the Company

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**

There is no such proposal as of now. In case, any resolution needs to be passed through Postal Ballot during the year 2017-18, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

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 in two 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 2016-17.

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

9. **General shareholder information**

a. **Annual General Meeting** – September 28, 2017 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.

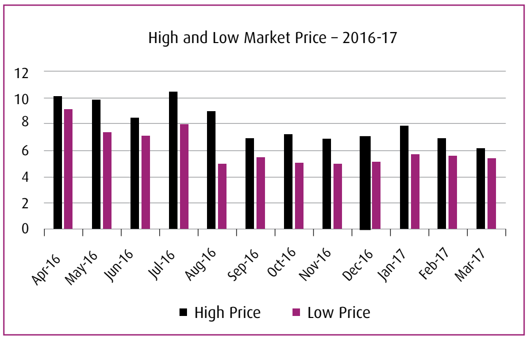
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

The listing fees for the year 2016-17 has been paid to the above stock exchange.

e. Stock code – 532355

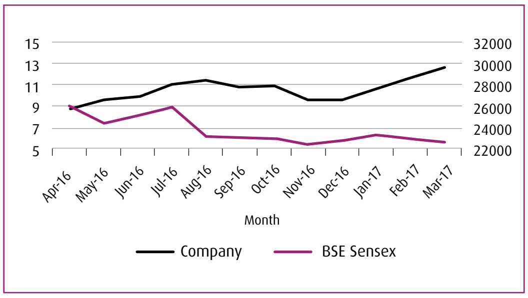
f. High and Low Market Price during each month in the accounting year was as follows:

Month	High Price	Low Price
April 2016	10.10	9.07
May 2016	9.89	7.38
June 2016	8.50	7.06
July 2016	10.49	8.00
August 2016	9.00	5.01
September 2016	6.95	5.45
October 2016	7.23	5.05
November 2016	6.89	5.01
December 2016	7.00	5.11
January 2017	7.90	5.70
February 2017	6.90	5.61
March 2017	6.20	5.38



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

Month	BSE Sensex	Company's Share Price
April 2016	25606.62	9.07
May 2016	26667.96	7.38
June 2016	26999.72	8.02
July 2016	28051.86	8.94
August 2016	28452.17	6.13
September 2016	27865.96	6.00
October 2016	27930.21	5.97
November 2016	26652.81	5.45
December 2016	26626.46	5.76
January 2017	27655.96	6.30
February 2017	28743.32	5.98
March 2017	29620.50	5.67



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 - 600002
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, 2017 was as follows:

Category	No. of Shares	% to Share capital
Promoters	3,86,46,654	73.96
FIIs and Financial Institutions/Banks	25,50,028	4.88
Private Corporate Bodies/ Indian Public	1,09,74,122	21.01
NRIs / HUFs/Clearing Members/Others	79,196	0.15
Custodians of GDRs	-	-
Grand Total	5,22,50,000	100.00

Distribution of Shareholding as at March 31, 2017

Sl. No.	Category (Shares)	No. of Holders	% to Holder	No. of Shares	% to Equity
1	1 - 5000	4609	90.51	274707	0.53
2	5001 - 10000	176	3.46	141088	0.27
3	10001 - 20000	111	2.18	175548	0.34
4	20001 - 30000	35	0.69	87620	0.17
5	30001 - 40000	25	0.49	91856	0.17
6	40001 - 50000	21	0.41	98358	0.19
7	50001 - 100000	53	1.04	417806	0.79
8	100001 and above	62	1.22	50963017	97.54
	TOTAL	5092	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, 2017, 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, 2017.

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@pvplgobal.com
Website: www.pvpcinema.com

10. Other Disclosures

a. During the year 2016-17, 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 26.7 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 at http://pvpcinema.com/docs/other_statuatory_info/PolicyonMaterialSubsidiaries-PHML.pdf.

f. The link of website of the Company where policy on dealing with related party transaction is available at http://pvpcinema.com/docs/other_statuatory_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-paras (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**

For Picturehouse Media Limited

Sd/-

Place : Chennai
Date : August 8, 2017

Prasad V. Potluri
Managing Director

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 2016-17.

For Picturehouse Media Limited

Sd/-

Place : Chennai
Date : May 30, 2017

Prasad V. Potluri
Managing Director

MD 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, 2017 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 year 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

	Sd/-	Sd/-
Place : Chennai	**Prasad V. Potluri**	**A. Praveen Kumar**
Date : May 30, 2017	Managing Director	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, 2017, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st April, 2016 to 31st March, 2017.

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 Regulations except for having Woman director on the board of the Company and constitution of nomination and remuneration committee pursuant to resignation of Ms. Sai Padma Potluri w.e.f 06th March, 2017, who was acting in the capacity of Non-executive Woman Director.

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.

Place: Hyderabad
Date: 07.08.2017

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd/-
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

ANNEXURE - 1

Statement containing the salient features of financial statements of subsidiaries / associate companies / joint ventures.

NAME*	DATE OF ACQUISITION	REPORTING PERIOD	REPORTING CURRENCY	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TURNOVER	PROFIT / (LOSS) BEFORE TAXATION	PROVISION FOR TAXATION	PROFIT / (LOSS) AFTER TAXATION	PD **	% ***
PMPL	22.08.2013	31.03.2017	USD	3,899	(94.003)	8,530	4,725	-	-	(5,751.80)	-	(5,751.80)	-	100%
PCPL	01.02.2006	31.03.2017	INR	3,00,000	18,06,621	21,69,871	63,250	-	-	(87,295)	-	(87,295)	-	100%
PCL	25.04.2012	31.03.2017	INR	25,00,00,000	25,67,51,549	1,75,66,57,629	1,24,99,06,080	-	21,25,26,055	82,72,283	49,31,482	33,40,801	-	100%

* **NAME OF THE SUBSIDIARY**

Picturehouse Media Private Limited(PMPL)
PVP Cinema Private Limited (PCPL)
PVP Capital Limited (PCL)

** **PROPOSED DIVIDEND**

*** **% OF SHAREHOLDING**

NOTE

1. Names of Subsidiaries which are yet to commence operations - PVP Cinema Private Limited
2. Names of Subsidiaries liquidated or sold or striked 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 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 metal 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

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 accordance with the guidance note issued by the Institute of Company Secretaries of India, 1980 and 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 read with the statutory auditor's report on financial statements 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, according to the explanations given to us, the company has, during the audit period covering the financial year ended on March 31, 2017, 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, 2017, 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); and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) Other Laws specifically applicable to the company include:

   i) The Cinematograph Act, 1952

   ii) 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, except the following:

As on 31st March, 2017, Board of the company does not have a Woman Director. Ms. Sai Padma Potluri, who was acting in the capacity of Non-executive Woman Director, has resigned on 06th March, 2017 which resulted in vacancy of a Woman Director on the Board of the Company.

Further, due to her resignation the constitution of Nomination and remuneration committee is not as per Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 other than having Woman Director. 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 at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Place : Hyderabad
Date : 07.08.2017

For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd-
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

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. Whereever 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.

Place : Hyderabad
Date : 07.08.2017

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd-
CS SHAIK RAZIA
PARTNER
FCS: 7122, CP NO: 7824

ANNEXURE – 4

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

[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 andTransfer Agent, if any	M/s. Cameo Corporate Services Limited, Subramanyam Building, 1, 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]

Sl. No	NAME AND DESCRIPTION OF MAIN PRODUCTS / 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

Sl. 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, Pruedential 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 31.03.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% 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	0	0	0	0	0	0	0	0	0
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	6706490	0	6706490	12.83	7753136	0	7753136	14.84	2.01
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	1087410	39358	1126768	2.16	1102052	40799	1142851	2.19	0.03
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2174804	0	2174804	4.16	2078135	0	2078135	3.98	-0.18

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2016)				No. of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Foreign Bodies	0	0	0	0	0	0	0	0	0
Clearing Members	0	28	28	0	2326	28	2354	0	0
Non Resident Indians	5138	0	5138	0.01	5595	0	5595	0.01	0
HUF	74392	0	74392	0.14	71247	0	71247	0.14	0
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)	**11013932**	**39386**	**11053318**	**21.15**	**11012491**	**40827**	**11053318**	**21.15**	**0**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**13563960**	**39386**	**13603346**	**26.04**	**13562519**	**40827**	**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)	**52210614**	**39386**	**52250000**	**100**	**52209173**	**40827**	**52250000**	**100**	**0**

(ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	1.91	0
2	PVP Global Ventures Pvt. Ltd.	1,12,36,641	21.51	13.40	1,12,36,641	21.51	13.40	0
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
TOTAL		**3,86,46,654**	**73.96**	**29.96**	**3,86,46,654**	**73.96**	**31.87**	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	1,12,36,641	21.50	1,12,36,641	21.50
	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			1,12,36,641	21.50

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
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	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	0	0
	At the end of the year			1,22,99,650	23.54

(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	500000	0.95	500000	0.95
	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			500000	0.95
6	Ramesh Kumar Somani At the beginning of the year	184778	0.35	184778	0.35
	Sale 08-Jul-2016	(7800)	0.01	176978	0.34
	Sale 15-Jul-2016	(11060)	0.02	165918	0.32
	Sale 29-Jul-2016	(400)	0.00	165518	0.32
	Sale 27-Jan-2017	(42293)	0.08	123225	0.24

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share-holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sale 17-Feb-2017	(8705)	0.02	114520	0.22
	Sale 24-Feb-2017	(829)	0.00	113691	0.22
	Sale 24-Mar-2017	(2110)	0.00	111581	0.21
	At the end of the year			111581	0.21
7	Raju Nanwani (JT1: Sakshi Nanwani) At the beginning of the year	171000	0.33	171000	0.33
	Sale 29-Apr-2016	(10000)	0.02	161000	0.31
	Sale 27-May-2016	(2600)	0.00	158400	0.30
	Sale 03-Jun-2016	(4376)	0.01	154024	0.29
	Sale 10-Jun-2016	(7838)	0.01	146186	0.28
	Sale 08-Jul-2016	(60000)	0.11	86186	0.16
	Sale 29-Jul-2016	(5000)	0.01	81186	0.15
	Sale 05-Aug-2016	(5000)	0.01	76186	0.14
	At the end of the year			76186	0.14
8	Lakshmi M At the beginning of the year	119158	0.23	119158	0.23
	Sale 12-Aug-2016	(22758)	0.04	96400	0.19
	Sale 26-Aug-2016	(51700)	0.10	44700	0.09
	Sale 02-Sep-2016	(44700)	0.09	0	0.00
	At the end of the year			0	0.00
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	65043	0.12	65043	0.12
	Sale 07-Oct-2016	(1500)	0.00	63543	0.12
	Purchase 13-Jan-2017	55	0.00	63598	0.12
	Purchase 27-Jan-2017	305	0.00	63903	0.12
	Purchase 03-Feb-2017	2400	0.00	66303	0.13
	Purchase 10-Feb-2017	26	0.00	66329	0.13
	At the end of the year			66329	0.13
NEW TOP 10 AS ON (31-Mar-2017)					
11	Kaynet Capital Limited At the beginning of the year	0	0.00	0	0.00
	Purchase 15-Jul-2016	28574	0.05	28574	0.05
	Purchase 12-Aug-2016	2800	0.00	31374	0.06
	Purchase 19-Aug-2016	4650	0.01	36024	0.07
	Purchase 26-Aug-2016	9844	0.02	45868	0.09
	Purchase 02-Sep-2016	4900	0.01	50768	0.10
	Purchase 09-Sep-2016	9900	0.02	60668	0.12
	Purchase 16-Sep-2016	5369	0.01	66037	0.13
	Purchase 21-Sep-2016	8318	0.02	74355	0.14
	Purchase 23-Sep-2016	2259	0.00	76614	0.15
	Purchase 30-Sep-2016	3133	0.00	79747	0.15
	Purchase 07-Oct-2016	47000	0.09	126747	0.24
	Purchase 14-Oct-2016	2653	0.00	129400	0.25
	Purchase 21-Oct-2016	2878	0.00	132278	0.25
	Purchase 28-Oct-2016	3700	0.01	135978	0.26

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
	Purchase 04-Nov-2016	3601	0.00	139579	0.27
	Purchase 11-Nov-2016	6265	0.01	145844	0.28
	Purchase 18-Nov-2016	2850	0.00	148694	0.28
	Purchase 02-Dec-2016	900	0.00	149594	0.29
	Purchase 09-Dec-2016	3149	0.00	152743	0.29
	Purchase 16-Dec-2016	1628	0.00	154371	0.29
	Purchase 23-Dec-2016	9101	0.02	163472	0.31
	Purchase 06-Jan-2017	2272	0.00	165744	0.32
	Purchase 13-Jan-2017	6017	0.01	171761	0.33
	Purchase 20-Jan-2017	2500	0.00	174261	0.33
	Purchase 03-Feb-2017	7400	0.01	181661	0.35
	Purchase 10-Feb-2017	4977	0.01	186638	0.36
	Purchase 17-Feb-2017	8400	0.01	195038	0.37
	Purchase 24-Feb-2017	2810	0.00	197848	0.38
	Purchase 03-Mar-2017	1800	0.00	199648	0.38
	Purchase 10-Mar-2017	5228	0.01	204876	0.39
	Purchase 17-Mar-2017	900	0.00	205776	0.39
	Purchase 24-Mar-2017	2800	0.00	208576	0.41
	Purchase 31-Mar-2017	2800	0.00	211376	0.40
	At the end of the year			211376	0.40
Having Same PAN					
11	Kaynet Capital Limited At the beginning of the year	23049	0.04	23049	0.04
	Purchase 29-Apr-2016	2000	0.00	25049	0.05
	Purchase 24-Jun-2016	2700	0.00	27749	0.05
	Purchase 30-Jun-2016	1444	0.00	29193	0.05
	Purchase 08-Jul-2016	1181	0.00	30374	0.06
	Sale 15-Jul-2016	(7374)	0.01	23000	0.04
	Purchase 22-Jul-2016	6300	0.01	29300	0.06
	Purchase 29-Jul-2016	6800	0.01	36100	0.07
	Purchase 05-Aug-2016	5400	0.01	41500	0.08
	Sale 07-Oct-2016	(41500)	0.08	0	0.00
	At the end of the year			0	0.00

(v) Shareholding of Directors and Key Managerial Personnel

Sl. 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	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	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	0	0

Sl. 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
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	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	0	0
6	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	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	48,06,17,320	57,66,78,607	-	1,05,72,95,927
(ii) Interest due but not paid	3,56,41,157	2,03,64,297	-	5,60,05,454
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	51,62,58,477	59,70,42,904	**-**	1,11,33,01,381
Change in Indebtedness during the financial year				
• Addition	-	3,31,93,604	-	3,31,93,604
• Reduction	(35,03,08,780)	-	-	(35,03,08,780)
Net Change	(35,03,08,780)	3,31,93,604	**-**	(31,71,15,176)
Indebtedness at the end of the financial year				
(i) Principal Amount	16,01,53,689	58,21,43,057	-	74,22,96,746
(ii) Interest due but not paid	57,96,008	4,80,93,451	-	5,38,89,459
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,59,49,697	63,02,36,508	**-**	79,61,86,205

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. 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.

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. R. Nagarajan	Mr. N S Kumar	Mrs. Sai Padma Potluri	
	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	1,49,000 -	1,49,000 -	- -	2,98,000 -
	Total (1)	**1,49,000**	**1,49,000**	**-**	**2,98,000**
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- -	- -	45,600 -	45,600 -
	Total (2)	-	-	**45,600**	**45,600**
	Total (B) = (1+2)	**1,49,000**	**1,49,000**	**45,600**	**3,43,600**
Total Managerial Remuneration		NIL			
Overall Ceiling as per the Act		-			

Note: The Directors mentioned in the above table are Independent Directors except for Mrs. Sai Padma Potluri who is a Non – Executive & Non – Independent Director and who resigned w.e.f. March 6, 2017.

The directors mentioned above are not paid any commission or any other remuneration except sitting fees for attending the meetings within limits as prescribed under Section 197 (5).

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	-	5,94,996	18,67,000	24,61,996
	(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	**-**	**5,94,996**	**18,95,800**	**24,90,796**

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the year ending March 31, 2017.

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. (5,18,13,382)

4. **Prescribed CSR Expenditure (2 percent of the amount as in item 3 above):** Nil

5. Details of CSR spent during the financial year:
   (a) Total amount to be spent for the financial year: Nil
   (b) Amount unspent, if any: Nil
   (c) Manner in which the amount spent during the financial year is detailed below:**N.A.**

Sl. No.	Particulars	
(1)	CSR project or activity identified	--
(2)	Sector in which the project is covered	--
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	--
(4)	Amount outlay (budget) project or programme wise	--
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	--
(6)	Cumulative expenditure up to the reporting period	--
(7)	Amount Spent direct or through implementing agency	--

   Average Net Profits of the Company for the last three financial years is negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year. However, the company is required to spend Rs. 8.22 Lakhs for the financial year 2015-16 and the same will be expended in future years.

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.** – Reasons mentioned in Board's report

7. **The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy ofthe company.**

Sd/-
Prasad V. Potluri
Managing Director

Sd/-
R. Nagarajan
Chairman of the Committee

Place : Chennai
Date : August 8, 2017

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 2016-17, the percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the financial year 2016-17.

SL. 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. A. Praveen Kumar	KMP (Chief Financial Officer)	Not applicable	0.00
3.	Ms. Mona Rajora	KMP (Company Secretary)	Not Applicable	32.22

2. The Company has 12 permanent employees on the rolls of the Company as on March 31, 2017.
3. Average percentage reduction made in the salaries of the employees other than the Managerial Personnel in the financial year was 39.08% whereas the average percentage increase in the remuneration to the Managerial Personnel was 6.54%.
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 2016-17:

SL. No.	Name of the Employee	Age	Designation	Educational qualification	Date of Joining	Gross Remuneration paid
1	A. Praveen Kumar	38	GM - Finance & Accounts	MBA - Finance	27-05-2009	18,95,800
2	R. Ramaswamy	60	GM - Operations	MBA (Training & Development), LLB	11-08-2006	12,50,000
3	Mona Rajora	28	Company Secretary	B.Com, CS, LLB	14-08-2015	5,94,996
4	T. Narasingarajan	33	Deputy Manager - Accounts	MBA - Finance	01-04-2008	5,15,995
5	CSN Prasad	42	Asst. Manager-Accounts	MBA - Finance	17-09-2012	4,25,000
6	Harikrishna	34	Asst. Manager-Accounts	MBA - Finance	27-03-2013	4,16,000
7	P. J. Bhavani	28	Asst. Manager-Accounts	CA - Inter	06-02-2012	4,16,000
8	C. Sekharababu Nimmagadda	27	Executive Accounts	B.Com	01-09-2015	3,60,000
9	B. Thimma Reddy	40	Production Executive	B.Com	18-03-2011	3,60,000
10	Narendra Babu	30	Production Executive	B.Com	03-09-2012	3,60,000

2. 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.
3. 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.

INDEPENDENT AUDITOR'S REPORT

To The Members of Picturehouse Media Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **Picturehouse Media Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS Financial statements based on our audit. In conducting 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 March 31, 2017 and its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.26.1 to Standalone Ind AS Financial statements, which explain that the current assets of the company include:

a. Loans (including interest accrued) amounting to Rs. 3,355.88 Lakhs

b. Films under production expenses amounting to Rs. 4,944.88 Lakhs

As regards the loans for film production and uncertainty with respect to expenditure on films under production whose realisability is significantly dependent on timely completion of contemplated production of films, poses significant uncertainty on the eventual realisability of the above stated assets. The financial impact if any due to non-realisability is not ascertainable at this time.

Our opinion is not modified in respect of this matter.

Other Matters

The financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 01st April 2015 included in these special purpose Standalone Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and the other accounting principles generally accepted in India audited by CNGSN & Associates LLP, Chartered Accountants whose report dated 23rd May 2016 and 29th May 2015 respectively, expressed unmodified opinion on those standalone financial Statements as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the **"Annexure A"** statement on the matters specified in the paragraph 3 and 4 of the order.
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 including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
   e) On the basis of written representations received from the directors as on 31st March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of Section 164(2) of the Act.
   f) With respect to the adequacy of the Internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and
   g) With respect to the other matters to be included Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements. Refer Note No 26.4 to the Standalone Ind AS Financial Statements.
      ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. The company did not have any holdings or dealings in Specified Bank Notes during the period from 08th November, 2016 to 30th December, 2016. Hence the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the company. Refer Note No: 26.16 to the Standalone Ind AS Financial Statements.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No.000511S

Sd/-
K.Jitendra Kumar
Partner
Membership No.201825

Place : Chennai
Date : 30th May 2017

Annexure - A to the Independent Auditors’ Report

Referred to in Clause 1 of **“Report on Other Legal and Regulatory Requirements”** Paragraph of the Independent Auditors’ Report of even date the members of **Picturehouse Media Limited** on the Standalone Ind AS Financial Statements as of and for the year ended March 31, 2017.

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

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties in its name and hence clause (c) of paragraph 3(i) of the Order is not applicable to the Company.

(ii) As explained to us by the management, the company is a service company, namely movie production. The movie production/ making of content require various types, qualities of content related consumable and inputs. Due to the multiplicity and complexity of the items, it is not practicable to maintain the quantitative records/ continuous stock register. All the purchases of content related consumable/consumables are treated as consumed. In view of this, the company does not maintain stock register and also does not carry out physical verification of stock. However, the management physically verifies the finished content copyrights of Programs/ Film rights with reference to title documents/agreements in hand at the end of the year.

(iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii), (iii)(a), (iii)(b) and (iii)(c) of Paragraph 3 of the Order are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees given and securities given.

(v) 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 is not applicable to the company for the year under audit.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) According to the information and explanations give to us and on the basis of our examination of the records, Undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays.

Undisputed amounts payable in respect thereof, which were outstanding at the yearend for a period of more than six months from the date they became payable are as follows:

Statement of Arrears of Statutory Dues Outstanding dues More than Six Months

(Rs. in Lakhs)

Name of the Statue	Nature of Dues	Amount (Rs.)	Period to which relates	Due date	Date of payment
The Finance Act, 1994	Service Tax	38.42	April 2016 to August 2016	6th of the following month	Yet to be remitted
The Income Tax Act, 1961	Tax Deducted at Source	155.82	April 2016 to August 2016	7th of the following month	Yet to be remitted

(b) According to the information and explanations given to us, there are no dues of disputed Income Tax, VAT, Service Tax and Cess that have not been deposited with the appropriate authorities.

(viii) In our opinion and according to the information and explanations given to us, the company does not have loans or borrowings from any financial institution, Government or dues to debenture holders. As on 31st March 2017, the company is overdue for a period of four months in repayment of dues to bank, amounting to Rs. 15 Crores, which were repaid subsequently on 03rd April 2017.

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

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

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year company has not paid any managerial remuneration as per section 197 of the Companies Act 2013. Therefore the provisions of clause 3(xi) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

(xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Therefore the provisions of clause 3(xii) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of Paragraph 3 of the Order are not applicable.

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

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No.000511S

Sd/-
K. Jitendra Kumar
Partner
Membership No.201825

Place : Chennai
Date : 30th May 2017

Annexure - B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Picturehouse Media Limited** ("the Company") as of 31st March 2017 in conjunction with our audit of the Standalone Ind AS 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone 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 Standalone 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 Standalone 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, 2017. "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 or interim 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 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Brahmayya & Co.
Chartered Accountants
Firm Regn. No: 000511S

Sd/-
K.Jitendra Kumar
Partner
Membership No.201825

Place : Chennai
Date : 30th May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(Rs in Lakhs)

	Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016	As at Apr 1, 2015
I	**ASSETS**				
(1)	**Non Current Assets**				
	(a) Property, Plant and Equipment	**6**	124.92	185.03	226.12
	(b) Financial Assets				
	(i) Investments	**7**	2,573.89	2,569.82	2,567.72
	(ii) Other financial assets	**10**	12.44	38.06	31.56
	Total Financial Asset		**2,586.33**	**2,607.88**	**2,599.28**
	(c) Deferred tax assets (net)		-	-	-
	(d) Other non current assets	**13**	299.78	236.82	180.77
	Total Non Current Assets		**3,011.03**	**3,029.73**	**3,006.17**
(2)	**Current assets**				
	(a) Inventories	**12**	4,944.88	9,650.76	7,717.26
	(b) Financial Assets				
	(i) Trade receivables	**9**	1,639.09	250.15	-
	(ii) Loans	**8**	2,245.50	1,978.38	2,084.38
	(iii) Cash and cash equivalents	**11**	27.16	71.25	214.98
	(iv) Other financial assets	**10**	1,418.27	1,228.14	1,204.44
	Total Financial Asset		**10,274.90**	**13,178.68**	**11,221.06**
	(c) Other current assets	**13**	0.81	2.48	3.08
	Total Current Assets		**10,275.71**	**13,181.16**	**11,224.14**
(3)	**Non current assets classified as held for sale**		-	-	-
	Total Assets		**13,286.74**	**16,210.89**	**14,230.31**
II	**EQUITY AND LIABILITIES**				
A	**EQUITY**				
	(a) Equity Share Capital	**14**	5,225.00	5,225.00	5,225.00
	(b) Other Equity		(1,809.25)	(607.15)	1,038.38
	Total Equity		**3,415.75**	**4,617.85**	**6,263.38**
B	**LIABILITIES**				
(1)	**Non Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	**15**	3,600.12	3,495.35	4,655.26
	Total Financial Liabilities		**3,600.12**	**3,495.35**	**4,655.26**
	(b) Provisions	**18**	11.95	10.45	19.17
	(c) Deferred tax liabilities (Net)		-	-	-
	Total Non Current Liabilities		**3,612.07**	**3,505.80**	**4,674.43**
(2)	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	**15**	3,863.13	7,089.95	3,006.56
	(ii) Trade payables	**16**	527.92	57.45	33.87
	(iii) Other financial liabilities	**17**	521.38	560.15	137.15
	Total Financial Liabilities		**4,912.43**	**7,707.55**	**3,177.58**
	(b) Other current liabilities	**19**	1,335.77	333.96	93.23
	(c) Provisions	**18**	10.72	45.73	21.69
	Total Current Liabilities		**6,258.92**	**8,087.24**	**3,292.50**
(3)	**Liabilities associated with non current assets held for sale**		-	-	-
	Total Equity and Liabilities		**13,286.74**	**16,210.89**	**14,230.31**

Summary of Significant Accounting Policies
The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

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

(Rs in Lakhs)

	Particulars	Note No	For the year ended 31-03-2017	For the year ended 31-03-2016
I	Revenue from operations	20	9,668.20	9,508.23
II	Other income	21	22.55	21.54
III	**Total Income (I + II)**		**9,690.75**	**9,529.77**
IV	**Expenses:**			
	a Cost of film production expenses	22	9,782.61	9,175.36
	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	111.98	181.33
	e Finance costs		786.87	1,005.47
	f Depreciation and amortization expenses		50.76	61.05
	g Other expenses	24	253.34	764.03
	Total expenses		**10,985.56**	**11,187.24**
V	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(1,294.81)**	**(1,657.47)**
VI	Exceptional items	25	(84.06)	-
VII	**Profit/(Loss) before tax (V - VI)**		**(1,210.75)**	**(1,657.47)**
VIII	**Tax expenses**			
	(1) Current tax		-	-
	(2) Deferred Tax (Asset) / Liability		-	-
	(3) Income tax for earlier years		(11.74)	-
	Total		**(11.74)**	**-**
IX	**Profit/(loss) for the period (VII - VIII)**		**(1,199.01)**	**(1,657.47)**
X	**Other Comprehensive Income, net of tax**			
	Items that will not be reclassified subsequently to profit and loss			
	Remeasurement of defined benefit obligation		(3.08)	11.94
	Less: Income tax expense		-	-
	Other Comprehensive income, net of tax		**(3.08)**	**11.94**
XI	**Total Comprehensive income for the year (IX + X)**		**(1,202.10)**	**(1,645.53)**
XII	**Earnings per equity share of nominal value Rs. 10 each :**			
	(1) Basic and diluted		(2.29)	(3.17)

Summary of Significant Accounting Policies

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.

For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lakhs)

	Particulars	As at Mar 31, 2017	As at Mar 31, 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before Tax	(1,210.75)	(1,657.47)
	Adjustments for:		
	Depreciation and Amortization	50.76	61.05
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	0.37	-
	Net (gain)/loss recorded in profit or loss on financial assets / liabilities measured or designated as at fair value through profit or loss	(4.07)	(2.11)
	Interest on Staff Loans Written off	4.78	-
	Sundry creditors written off	2.40	-
	Provision for diminution in value of Investments	0.87	0.64
	Liabilities and Provisions no longer required written back	11.74	-
	Provision for Employee Benefits	(36.59)	27.25
	Interest Income	(0.29)	(0.21)
	Interest Expenses	786.87	1,005.47
	Cash Generated Before Working Capital Changes	**(393.91)**	**(565.38)**
	Movement In Working Capital		
	Increase / (Decrease) in Trade Payables	468.08	23.58
	Increase / (Decrease) in Other Financial Liabilities	5.69	0.60
	Increase / (Decrease) in Other Liabilities	1,001.81	240.75
	(Increase) / Decrease in Trade Receivables	(1,388.93)	(250.15)
	(Increase) / Decrease in Loans	(267.12)	92.52
	(Increase) / Decrease in Inventories	4,705.87	(1,933.50)
	(Increase) / Decrease in Other Financial Assets	(169.27)	(30.11)
	(Increase) / Decrease in Other Assets	(61.29)	(55.45)
	Cash Generated From Operations	**3,900.94**	**(2,477.14)**
	Direct Taxes Paid	-	-
	Net Cash Flow From / (Used in) Operating Activities	**3,900.94**	**(2,477.14)**
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**		
	Purchase of PPE, Intangible Assets and Investment Property	(1.89)	(19.95)
	Proceeds from Sale of PPE, Intangible Assets and Investment Property	10.86	-
	Purchase of Non Current Investments - Subsidiaries	(0.87)	(0.64)
	Inter Corporate Loans given / (refunded)	-	13.48
	Interest Income Received	0.25	0.10
	Net Cash Flow From / (Used in) Investing Activities	**8.35**	**(7.01)**
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**		
	Proceeds from/(to) Short - Term Borrowings (Net)	(3,226.81)	4,083.38
	Proceeds from Long Term Borrowings	104.77	-
	Repayment of Long Term Borrowings	-	(1,159.91)
	Interest Paid	(831.34)	(583.06)
	Net Cash Flow From / (Used in) Financing Activities	**(3,953.38)**	**2,340.41**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(44.09)	(143.73)
	Cash and Cash Equivalents at the beginning of the year	71.25	214.98
	Cash and Cash Equivalents at the end of the year	**27.16**	**71.25**
	Components of Cash and Cash Equivalents		
	Cash in Hand	0.16	4.93
	Balances with Banks		
	- In Current Accounts & Deposit Accounts	27.00	66.32
	- In Deposit Accounts	-	-
	Cash and cash Equivalent (As per Note 11)	**27.16**	**71.25**

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.
2. Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lakhs)

Particulars	Equity Share Capital	Other Equity					Total Equity Attributable to Equity holders of the company
		Reserves & Surplus			Other Comprehensive Income		
		Security Premium Reserve	Retained Earnings	Capital Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income	
Balance as on 01st April 2015	**5,225.00**	**182.50**	**833.00**	**22.88**	**-**	**-**	**1,038.38**
Changes in equity for the year ended March 31, 2016							**-**
Transferred to General Reserve	-	-	-	-	-	-	**-**
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	**-**
Profit for the period	-	-	(1,657.47)	-	-	11.94	(1,645.53)
Balance as on 31st March 2016	**5,225.00**	**182.50**	**(824.47)**	**22.88**	**-**	**11.94**	**(607.15)**
Balance as on 01st April 2016	**5,225.00**	**182.50**	**(824.47)**	**22.88**	**-**	**11.94**	**(607.15)**
Changes in equity for the year ended March 31, 2017							
Transferred to General Reserve	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-
Profit for the period	-	-	(1,199.01)	-	-	(3.08)	(1,202.10)
Balance as on 31st March 2017	**5,225.00**	**182.50**	**(2,023.48)**	**22.88**	**-**	**8.86**	**(1,809.25)**

Summary of Significant Accounting Policies
The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

Summary of significant accounting policies and other explanatory information to the Standalone Ind AS Financial Statements for the year ended 31st March 2017

1. Corporate Information

The Company was incorporated as Telephoto Entertainment Limited in the state of Tamilnadu in the year 2000. Subsequently the name was changed to Picturehouse Media Limited (PHML) in the year 2011. Picturehouse Media Limited ('the Company') is a public company domiciled in India. The Company shares are listed on the BSE Limited. The company is principally engaged in the business of Movie Production and related activities. The registered office of the Company is located at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031.

The Standalone Ind AS Financial Statements of the Company for the year ended 31st March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 30th May 2017.

2. Significant Accounting Policies

Basis of Preparation of Financial Statements

These financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

The Company has adopted all the Ind AS Standards and the adoptions was carried out in accordance with ***Ind AS 101 First Time adoption of Indian Accounting Standards***. The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under sec 133 of the companies act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hither to in use.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in ***Ind AS 1 Presentation of Financial Statements*** and ***Schedule III to the Companies Act, 2013.***

a) **Current/ Non Current Classification**

An asset is classified as current when

1) It is expected to be realized or consumed in the Company's normal operating cycle;
2) It is held primarily for the purpose of trading;
3) It is expected to be realized within twelve months after the reporting period; or
4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not confirming to the above is classified as non- current.

A liability is classified as current when

1) It is expected to be settled in the normal operating cycle of the Company;
2) It is held primarily for the purpose of trading;
3) It is expected to be settled within twelve months after the reporting period; or
4) The Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

b) **Functional and Presentation Currency**

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the company operate.

c) **Property, Plant and Equipment:**

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) **Impairment of Property, Plant & Equipment:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

e) **Inventory**

Inventory consists of investments in films and associated rights, including acquired rights and advances to talent associated with film production, are stated at lower of cost / unamortised cost or realisable value. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors.

A charge is made to write down the cost once the film is theatrically exhibited commercially. Charge is recognized in the income statement within cost of production.

f) **Foreign Currency Translation:**

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Measurement

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

g) **Assets taken on lease:**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

h) **Financial Instruments**

1) **Initial Recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2) **Subsequent Measurement**

i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) **Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

iv) **Financial Liability**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

v) **Investment in Subsidiaries**

Investments in subsidiaries are carried at cost in accordance with Ind AS 27 Separate Financial Statements.

3) **Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or its transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

4) **Impairment of Assets**

Financial Assets (other than at fair value):

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

5) **Fair value of Financial Instruments**

In determining the fair value of its financial instruments, the company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

i) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

j) **Revenue Recognition**

1) Revenue is recognized, net of sales related taxes, when the agreement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The company considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

Theatrical — Contracted minimum guarantees are recognized on the theatrical release date. The company's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the company.

Other rights - other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date when the rights are made available to the assignee for exploitation.

2) Interest income is accrued on time basis, by reference to the principle outstanding and at the effective interest rate applicable.

3) Dividend from investments is accounted for as income when the right to receive dividend is established.

k) **Employee Benefits**

Gratuity

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required under Ind AS complaint schedule III, the company transfers it immediately to retained earnings.

Compensated Absences

The company has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Other Benefit Plans

Contributions paid/payable under defined contributions plans are recognised in the statement of Profit or 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.

l) **Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) **Current Income Tax**

Current Income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii) **Deferred Income Tax**

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income tax assets are recognised for all deducted temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

m) **Borrowing Costs**

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

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

n) **Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

o) **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

p) **Exceptional Items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

q) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Movie and Related Activities". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

3. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Company is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to profit and loss account. As well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

4. Standards issued but not yet effective:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17th March 2017 MCA has notified amendments to two new standards namely Ind AS 102 - Share-based Payment and Ind AS 7 - Statement of Cash Flows which will be effective from 1st April 2017.

During current year, there are no share based payments transactions occurred and hence Ind AS 102 is not applicable to the company. Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes". The Company has not opted for early adoption of the above amendments and will not have any material impact on the financial statements of the Company when adopted.

5. Disclosures as required by Indian Accounting Standard (Ind AS) 101 first time adoption of Indian accounting standard.

These standalone financial statements of the Company for the year ended 31st March 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – First Time adoption of Indian Accounting Standard, with 01st April 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note No 2 have been applied in preparing the Standalone Ind AS Financial Statements for the year ended 31st March 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit or Loss and Statement of Cash Flows is set out in Note 5.2 and Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in 5.1.

5.1 Exemptions availed on first time adoption of Ind AS 101

On first time adoption of Ind AS, Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions.

a. **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 01st April 2015 and 31st March 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b. The company has elected to avail the exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment as per the statement of financial position prepared in accordance with previous GAAP.

c. **Ind AS 27 Separate Financial Statements:**

The Company has elected to avail the exemption under Ind AS 101 to use Indian GAAP carrying value of the investments in subsidiaries at deemed cost determined in accordance with Ind AS 27 Separate Financial Statements.

5.2. Reconciliations

The following Reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

5.2.1. Reconciliation of Equity as previously reported under IGAAP to Ind AS.

(Rs in Lakhs)

Particulars	Refer Note No	Balance Sheet as at 31st March 2016			Opening Balance Sheet as at 01st April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Assets:							
Non-Current Assets							
Property, Plant and Equipment		185.03	-	185.03	226.12	-	226.12
Financial Assets							
Investments	1	2,567.19	2.63	2,569.82	2,567.19	0.53	2,567.72
Other Financial Assets		38.06	-	38.06	31.56	-	31.56
Other non-current assets		236.82	-	236.82	180.77	-	180.77
Total Non Current Assets		**3,027.10**	**2.63**	**3,029.73**	**3,005.64**	**0.53**	**3,006.17**
Current Assets							
Inventories		9,650.76	-	9,650.76	7,717.26		7,717.26
Financial Assets							
Trade receivables		250.15	-	250.15	-		-
Loans		1,978.38	-	1,978.38	2,084.38		2,084.38
Cash and cash equivalents		71.25	-	71.25	214.98		214.98
Other Financial Assets		1,228.14	-	1,228.14	1,204.44		1,204.44
Other current assets		2.48	-	2.48	3.08		3.08
Total Current Assets		**13,181.16**	**-**	**13,181.16**	**11,224.14**	**-**	**11,224.14**
Total Assets		**16,208.26**	**2.63**	**16,210.89**	**14,229.78**	**0.53**	**14,230.31**
Equity & Liabilities:							
Equity							
Equity Share Capital		5,225.00	-	5,225.00	5,225.00	-	5,225.00
Other equity	5.2.3	(618.00)	10.85	(607.15)	1,037.85	0.53	1,038.38
Total Equity		**4,607.00**	**10.85**	**4,617.85**	**6,262.85**	**0.53**	**6,263.38**
Non-Current Liabilities							
Financials Liabilities							
Borrowings		3,495.35	-	3,495.35	4,655.26	-	4,655.26
Provisions		10.45	-	10.45	19.17	-	19.17
Total Non Current Liabilities		**3,505.80**	**-**	**3,505.80**	**4,674.43**	**-**	**4,674.43**
Current liabilities							
Financial Liabilities							
Borrowings		7,089.95	-	7,089.95	3,006.56	-	3,006.56
Trade Payables		57.45	-	57.45	33.87	-	33.87
Other financial liabilities		560.15	-	560.15	137.15	-	137.15
Other Liabilities		333.97	-	333.97	93.23	-	93.23
Provisions	2	53.95	8.22	45.73	21.69	-	21.69
Total Current Liabilities		**8,095.47**	**8.22**	**8,087.25**	**3,292.50**	**-**	**3,292.50**
Total Equity & Liabilities		**16,208.26**	**8.22**	**16,210.89**	**14,229.78**	**0.53**	**14,230.31**

5.2.2. Reconciliation statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Rs in Lakhs)

Particulars	Refer Note No	01-Apr-15 to 31-Mar-16		
		IGAAP	Adjustment	Ind AS
Revenue from operations		9,508.23	-	9,508.23
Other income	1	19.43	2.11	21.54
Total Income (i)		**9,527.66**	**2.11**	**9,529.77**
Expenses				
Cost of film production expenses		9,175.36	-	9,175.36
Employee Benefits Expense	3	169.39	11.94	181.33
Finance Costs		1,005.47	-	1,005.47
Depreciation		61.05	-	61.05
Other Expenses	2	772.25	8.22	764.03
Total Expenses (ii)		**11,183.52**	**20.16**	**11,187.24**
Profit/(loss) before exceptional items (iii)=(i) -(ii)		**(1,655.86)**	**(18.05)**	**(1,657.47)**
Exceptional items (iv)		**-**	**-**	**-**
Profit/(loss) before tax (v)=(iii)+(iv)		**(1,655.86)**	**(18.05)**	**(1,657.47)**
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
(3) Income tax for earlier years		-	-	-
Income tax expense (vi)		-	-	-
Profit/(loss) for the period (vii)= (v)-(vi)		**(1,655.86)**	**(18.05)**	**(1,657.47)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains (losses) on defined benefit plans		-	11.94	11.94
Income tax effect		-	-	-
Other Comprehensive income, net of tax (viii)		**-**	**11.94**	**11.94**
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (ix) =(vii)+(viii)		**(1,655.86)**	**(6.11)**	**(1,645.53)**

5.2.3. Reconciliation of Total Equity as at 31st March 2016 and 01st April 2015

(Rs in Lakhs)

Particulars	Refer Note No	As at 31 Mar 2016	As at 1 Apr 2015
Total Equity (Shareholders Fund) under Previous GAAP		**4,607.00**	**6,262.85**
Adjustments:			
Gain on Fair Value of Mutual Funds	1	2.63	0.53
Other Adjustments	2	8.22	-
Total Equity under Ind AS		**4,617.85**	**6,263.38**

5.2.4. Reconciliation of Profit After Tax (PAT) as previously reported under GAAP vs Ind AS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2016
Net Profit/(Loss) after tax as previous Indian GAAP	**(1,655.86)**
Increased in Profit is due to	
Gain on Fair Value of Mutual Funds	2.11
Remeasurements of employment benefit obligation	(11.94)
Other Adjustments	8.22
Net Profit/ (Loss) after Tax before OCI as per the IND AS	**(1,657.47)**

Explanation Notes

Note No 1: Investments in Mutual Funds

Under Previous GAAP, the company accounted for investments in Mutual Funds measured at lower of cost or fair value. Under Ind AS, the company has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and previous GAAP carrying amount has been adjusted in equity as on transition date.

Note No 2: Other Adjustments

The company derecognises the Corporate Social Responsibility Expenditure as per Ind AS 101 "First time adoption of Indian Accounting Standards"

Note No 3: Net Gain/ (loss) on fair value of defined benefit plans

The company has recognised remeasurement gains/(loss) on defined benefit plans in Other Comprehensive Income. These changes are accumulated within the Other Comprehensive Income reserve within other equity.

5.2.5 Statement of Cash Flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those under Ind AS.

Note 6: PROPERTY, PLANT & EQUIPMENT

(Rs in Lakhs)

Particulars	Plant & Machinery	Computers & Related Assets	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross Block						
As at 01st April 2015	**1.22**	**14.18**	**18.06**	**135.77**	**56.89**	**226.12**
Additions	-	1.80	0.29	6.00	11.87	19.95
Deletions	-	-	-	-	-	-
As at 31st March 2016	**1.22**	**15.98**	**18.35**	**141.77**	**68.76**	**246.07**
Additions	-	0.51	-	-	1.37	1.88
Disposals	-	-	-	(17.69)	(0.09)	(17.78)
As at 31st March 2017	**1.22**	**16.49**	**18.35**	**124.08**	**70.04**	**230.17**
Depreciation						
For the period 2015-16						
Charges for the period	0.38	10.86	3.41	23.71	22.69	61.05
on disposals	-	-	-	-	-	-
As at 31st March 2016	**0.38**	**10.86**	**3.41**	**23.71**	**22.69**	**61.05**
For the period 2016-17						
Charges for the period	0.38	2.30	3.42	23.09	21.57	50.76
on Disposals	-	-	-	(6.46)	(0.09)	(6.55)
As at 31st March 2017	**0.38**	**2.30**	**3.42**	**16.63**	**21.48**	**44.21**
Net Block						
As at 31st March 2016	**0.84**	**5.12**	**14.94**	**118.06**	**46.07**	**185.03**
As at 31st March 2017	**0.46**	**3.33**	**11.52**	**83.74**	**25.87**	**124.92**

Note: Gross Block as on 01.04.2015 represents deemed cost (Gross Block - Accumulated Depreciation) as per Ind AS 101.

Note 7: FINANCIAL ASSETS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Investments			
Non Current Investments			
Investment carried at deemed cost, fully paid up			
a) Investment in equity instruments, Subsidiaries - Unquoted			
PVP Cinema Private Limited - 30,000 equity shares of Rs.10/- each.	3.00	3.00	3.00
PVP Capital Limited - 2,50,00,000 equity shares of Rs.10/- each.	2,521.74	2,521.74	2,521.74
Picturehouse Media Private Limited in Singapore, 5,000 ordinary shares paid 1 share @ 1$ each	2.45	2.45	2.45
	2,527.19	**2,527.19**	**2,527.19**
Investments carried at Fair value through Profit or Loss			
b) Investment in Mutual Fund			
Investment in Canara Robeco Mutual Funds - (NAV Rs.49,70,266)	49.70	45.63	43.53
	2,576.89	**2,572.82**	**2,570.72**
Less: Provision for diminution in value of investment	(3.00)	(3.00)	(3.00)
	2,573.89	**2,569.82**	**2,567.72**
Aggregate amount of quoted investments (Market value Rs.49,70,266)	49.70	45.63	43.53
Aggregate amount of unquoted investments	2,527.19	2,527.19	2,527.19
Aggregate amount of impairment in value of investments	(3.00)	(3.00)	(3.00)
	2,573.89	**2,569.82**	**2,567.72**
C) Other investments	499.43	498.56	497.92
Less: Provision for Diminution in the value of Investment	499.43	498.56	497.92
	-	-	-

Note 8: LOANS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Secured - Considered Good			
Loans to related parties - Subsidiary Company	-	-	13.48
Secured - Considered Good			
Advances for Film Finance	2,107.63	1,840.67	1,900.27
Unsecured - Considered Good			
Other Loans			
Advances for Staff	137.87	137.71	170.63
	2,245.50	**1,978.38**	**2,084.38**
Total Loans	**2,245.50**	**1,978.38**	**2,084.38**

Note 9: TRADE RECEIVABLES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Unsecured - Considered Good	1,639.09	250.15	-
Total Trade Receivables	**1,639.09**	**250.15**	**-**

Note 10: OTHER FINANCIAL ASSETS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Security Deposits - Considered Good	12.44	38.06	31.56
	12.44	**38.06**	**31.56**
Current			
Interest Accrued on Staff loans	63.48	68.27	19.18
Interest Accrued on Movie Finance	1,248.25	1,159.19	1,091.58
Interest Accrued Others	0.14	0.10	-
Advances for Others	106.40	0.58	93.68
	1,418.27	**1,228.14**	**1,204.44**
Total Other Financial Assets	**1,430.71**	**1,266.20**	**1,236.00**

Note 11: CASH & CASH EQUIVALENTS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Balance with banks			
In Current Accounts	27.00	66.32	212.51
Cash on hand	0.16	4.93	2.47
	27.16	**71.25**	**214.98**

Note 12: INVENTORIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Film Production Expenses (Valued at lower of cost or net realisable value - as certified by management)	4,944.88	9,650.76	7,717.26
	4,944.88	**9,650.76**	**7,717.26**

Note 13: OTHER ASSETS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Others			
TDS Receivable (Net off Taxes)	299.78	236.82	180.77
	299.78	**236.82**	**180.77**
Current			
Others			
Service Tax Input	-	0.20	-
Prepaid Expenses	0.80	2.28	3.08
	0.80	**2.48**	**3.08**
Total Other Assets	**300.58**	**239.30**	**183.85**

Note 14: EQUITY SHARE CAPITAL

(a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Authorised Share Capital			
8,00,00,000 Equity Shares of Rs. 10/- each	8,000.00	8,000.00	8,000.00
Issued, Subscribed and Paid Up			
5,22,50,000 equity shares of Rs. 10 each	5,225.00	5,225.00	5,225.00
	5,225.00	**5,225.00**	**5,225.00**

(b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,68,89,405 equity shares (as at 31st March 2016 - 2,68,89,405 equity shares ; as at 1st April, 2015 - 1,87,89,405 equity shares) in the Company.

(c) Equity Shares in the company held by each shareholder holding more than 5%:

Name of shareholder	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number of Shares	% held	Number of Shares	% held	Number of Shares	% held
PVP Ventures Limited	3,353,114	6.42%	3,353,114	6.42%	3,353,114	6.42%
Jhansi Sureddi	11,757,249	22.50%	11,757,249	22.50%	11,757,249	22.50%
Rayudu Media Projects Private Limited	4,506,490	8.62%	4,506,490	8.62%	4,506,490	8.62%
PVP Global Ventures Private Limited	11,236,641	21.50%	11,236,641	21.50%	3,136,641	6.00%
PVP Media Ventures Private Limited	12,299,650	23.54%	12,299,650	23.54%	12,299,650	23.54%
Bloomfiled Power Projects Private Limited	-	0.00%	-	0.00%	8,100,000	15.50%
Total	**43,153,144**	**82.58%**	**43,153,144**	**82.58%**	**43,153,144**	**82.58%**

(d) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

(Amount in Rupees)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	522,500,000	52,250,000	522,500,000	52,250,000	522,500,000
Add: Number of Shares allotted during the year	-	-	-	-	-	-
Less: Number of Shares bought back	-	-	-	-	-	-
Number of equity shares outstanding at the end of the year	**52,250,000**	**522,500,000**	**52,250,000**	**522,500,000**	**52,250,000**	**522,500,000**

(e) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

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

(f) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2017).

(g) The Company has not issued any shares under The Employee Stock Option Plans (ESOP).

Note 15: FINANCIAL LIABILITIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Borrowings			
Non Current			
Secured			
From a company - Term Loan	3,600.12	3,495.35	4,648.85
From Banks - Vehicle Loan	1.54	7.12	23.94
Current Maturity of Long Term Debt - Vehicle Loan	(1.54)	(7.12)	(17.53)
	-	**-**	**6.41**
	3,600.12	**3,495.35**	**4,655.26**
Current			
Secured			
From Banks (includes Interest accrued and due)	1,541.82	1,518.51	3,006.56
From Companies	100.00	3,300.00	-
Unsecured			
From Related Parties			
Loans from Subsidiary Company	2,221.31	2,271.44	-
	3,863.13	**7,089.95**	**3,006.56**
Total Borrowings	**7,463.25**	**10,585.30**	**7,661.82**

Refer Note No: 26.12 for security details and terms of repayment.

Note 16: TRADE PAYABLES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Sundry Creditors for services	527.92	57.45	33.87
	527.92	**57.45**	**33.87**

Note 17: OTHER FINANCIAL LIABILITIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Current Maturity of Long Term Debt	1.54	7.12	17.53
Interest Accrued on borrowings	497.08	541.54	119.14
Employee related payables	7.66	11.49	0.48
Provision for outstanding expenses	15.10	-	-
	521.38	**560.15**	**137.15**
Total Other Financial Liabilities	**521.38**	**560.15**	**137.15**

Notes to Standalone Financial Statements for the year ended 31st March 2017

Note 18: PROVISIONS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Provision For Employee Benefits			
Gratuity	11.95	10.45	19.17
	11.95	**10.45**	**19.17**
Current			
Provision for employee benefits			
Gratuity	3.08	2.64	0.94
Compensated absences	7.64	43.09	20.75
	10.72	**45.73**	**21.69**
Total Provisions	**22.67**	**56.18**	**40.86**

Note 19: OTHER LIABILITIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Revenue received in advance			
Advances received from Theatrical Exhibitors	849.71	119.87	55.97
Others			
Statutory Dues Payable	486.06	214.10	37.26
	1,335.77	**333.97**	**93.23**

Note 20: REVENUE FROM OPERATIONS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Revenue from distribution and exhibition of film and other rights	9,101.66	9,043.38
OTHER OPERATING INCOME		
Income from Movie finance	550.07	464.85
Commission Income	16.47	-
	9,668.20	**9,508.23**

Note 21: OTHER INCOME

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Interest Income on Income Tax Refund	15.31	-
Interest Income on Staff Advances	-	19.23
Profit on Sale of Asset	0.52	-
Sundry Creditors written off	2.40	-
Miscellaneous Income	4.32	2.31
	22.55	**21.54**

Notes to Standalone Financial Statements for the year ended 31st March 2017

Note 22: COST OF FILM PRODUCTION EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Opening Film Production Expenses	9,650.76	7,717.26
Add: Current year Film Production Expenses	5,076.73	11,108.86
	14,727.49	18,826.12
Less: Closing Film Production Expenses	4,944.88	9,650.76
	9,782.61	**9,175.36**

Note 23: EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Salaries and wages	104.03	170.05
Contribution to provident and other funds	2.12	2.62
Staff welfare expenses	5.83	8.66
	111.98	**181.33**

Note 24: OTHER EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Rent	41.04	94.12
Insurance	3.39	3.84
Power and Fuel	8.15	14.26
Printing & Stationery	4.75	7.32
Communication Expenses	9.49	16.95
Repairs & Maintenance	4.76	5.20
Registration Charges	4.06	0.68
Security Charges	1.66	4.40
Rates & taxes	0.15	0.90
Payment to statutory auditors		
as auditors	12.50	12.97
for tax audit	2.50	2.50
for certification	3.00	3.00
Directors Sitting Fees	3.44	3.99
Legal, Professional and consultancy	37.19	22.23
Office Maintenance	33.66	30.87
Advertisement, publicity and sales promotion	2.39	2.65
Investor related expenses including Listing Fees	6.10	5.83
Travelling Expenses including Conveyance	64.35	93.76
Charity & Donations	-	20.11
Service Tax	4.22	417.75
Provision for Doubtful Advances	0.87	0.64
Loss on Sale of Asset	0.89	-
Advances Written Off	4.78	-
Miscellaneous expenses	-	0.08
	253.34	**764.03**

Note 25: EXCEPTIONAL ITEMS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Provision no longer required	84.06	-
	84.06	**-**

26. Notes to Accounts

26.1 The current assets of the company include loans and expenditure on films under production. As regards the loans, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards films under production expenses includes payments to artists and technicians the company is evaluating options for optimal utilization of these payments in making films. And accordingly the company is confident of realising the entire value of expenditure on films under production. The management does not foresee any erosion in carrying value.

26.2 **Lease Rentals**

The Company has entered into operating lease agreements for office premises and an amount of Rs. 41.04 Lakhs (2016: Rs. 94.12 Lakhs) paid under such agreement have been charged to statement of Profit & Loss.

The details with regard to operating lease obligations with respect to Office premises are as under.

(Rs. in Lakhs)

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Due within 1 year from the Balance Sheet date	25.57	31.26
Due between 1 and 5 years	62.64	88.21
Due after 5 years	Nil	Nil

26.3 **Micro, Small and Medium Enterprises (MSME)**

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

26.4 **Contingent Liabilities**

Company has given a corporate guarantee of Rs.10,000 Lakhs for its Subsidiary Company i.e PVP Capital Limited as security for availing working capital limits from the Bank. The subsidiary company has outstanding loan with bank of Rs. 10,120.06 Lakhs as of 31st March 2017. (Rs.10,116.06 Lakhs as of 31st March 2016).

26.5 **Corporate Social Responsibility (CSR)**

(Rs. in Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
1.	Average Net Profits of the Company for last three financial years	(518.13)	411.05
2.	Prescribed CSR Expenditure (@2% on Avg Net profit of last 3 F.Y's)	-	8.22
3.	Unspent Amount of the Previous year	8.22	20.11
4.	Total Amount to be spent for the current financial year	-	8.22
5.	Amount Spent During the Year	-	20.11
6.	Amount Unspent (3+ 4- 5)	**8.22**	**8.22**

Average Net Profits of the Company for the last three financial years is negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year. However, the company is required to spend Rs. 8.22 Lakhs for the financial year 2015-16 and the same will be expended in future years.

26.6 **Earnings per Share**

Particulars	Refer	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit after Tax (Rs. in Lakhs)	A	(1,199.01)	(1,657.47)
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
Earnings per share – Basic & Diluted (in Rs.)	A/C	(2.29)	(3.17)

26.7 **Disclosure in Accordance with Ind AS -24 Related Party Transactions**

a) Names of related parties and nature of relationship

Names of the Related party	Relationship
PVP Ventures Limited (PVP)	Holding Company
PVP Cinema Private Limited (PCPL)	100% Subsidiary Company
PVP Capital Limited	100% Subsidiary Company
Picturehouse Media Private Limited (PHMPL Singapore)	100% Subsidiary Company
Mr. Prasad V. Potluri	Key Managerial Personnel
Mr.A.Praveen Kumar	
Ms. Mona Rajora	
Mrs.Padma Potluri (Upto 06th March 2017)	Directors
Mr.R.Nagarajan	
Mr.N.S.Kumar	

b) Summary of transactions and outstanding balances with the above related parties:

(Rs. in Lakhs)

Nature of transactions	Transactions for the year ended		Balance as at	
	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017
Loan Given(repaid) to PVP Cinema Private Limited	0.64	0.87	498.56	499.43
Provision for advances given to PVP Cinema Private Limited	0.64	0.87	498.56	499.43
Investment in PVP Capital Limited	Nil	Nil	2,521.73	2,521.73
Advance paid /(received) to PVP Capital Limited	(2,271.43)	(50.13)	(2,271.43)	(2,221.30)
Investment in PHMPL Singapore	Nil	Nil	2.45	2.45
Loan given to /(repaid) by PHMPL Singapore (Includes reimbursements)	(13.48)	Nil	Nil	Nil
Salaries & Perquisites paid to KMP	22.80	24.62	Nil	1.90
(Interest Accrued) and Loans Outstanding with Key Managerial Persons	(3.16)	11.86	34.36	33.57
Sitting Fees paid to Directors	3.99	3.44	Nil	Nil
Corporate guarantee and security from PVP Ventures Ltd	Nil	Nil	3,000.00	1,500.00
Corporate guarantee given to PVP Capital Ltd	Nil	Nil	10,000.00	10,000.00

26.8 **Deferred tax Calculation**

Deferred tax asset has not been recognised in respect of the following items:

(Rs in Lakhs)

Particulars	31 Mar 2017		31 Mar 2016	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	1,355.57	448.15	71.69	23.70
Tax Losses	1,427.94	472.08	1,572.97	520.02
Total	**2,783.51**	**920.23**	**1,644.66**	**543.72**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31.03.2017.

Income tax expenses

Income tax expense in the statement of profit and loss comprises:

(Rs. in Lakhs)

Particulars	31 Mar 2017	31 Mar 2016
Current tax	-	-
Income tax related to earlier years	(11.74)	-
Total Current tax expenses	**(11.74)**	-
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
(Decrease) Increase in deferred tax liabilities	-	-
Income tax expenses	**(11.74)**	-

Particulars	31 Mar 2017	31 Mar 2016
Profit /(loss) from the operation before income tax expenditure	-	-
Indian tax rate is 30.9%	-	-
Effect of non deductible expenses	-	-
Others	-	-
Effect of unrecognised deferred tax assets	-	-
Tax loss for which no deferred tax was recognised	-	-
Income tax expenses	-	-

26.9 **Employee Benefits**

a) **Defined Benefit Plan**

(Amounts in Rs)

Gratuity	31 Mar 2017	31 Mar 2016
Gratuity Plan:		
Defined benefit obligation (DBO)	(15,03,259)	(13,09,390)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/(liability)	**(15,03,259)**	**(13,09,390)**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/ Other Comprehensive Income and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2017

Particulars	2016-17	2015-16
Current Service Cost	2,31,403	2,66,567
Net Interest Cost	1,02,132	1,56,821
Total	**3,33,535**	**4,23,388**

Amount recognized in Other Comprehensive Income for the year ended 31st March, 2017

Particulars	2016-17	2015-16
Actuarial (gain)/ loss on obligations	(1,39,666)	(11,24,525)

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2017 are as follows:

Particulars	2016-17	2015-16
Opening defined obligation	13,09,390	20,10,527
Current service cost	2,31,403	2,66,567
Interest cost on the Defined Benefit Obligation	1,02,132	1,56,821
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - Financial assumptions	(1,39,666)	(11,24,525)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	**15,03,259**	**13,09,390**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31 Mar 2017	31 Mar 2016
Discount rate (in %)	7.50%	7.80%
Salary Escalation (in %)	7.50%	7.50%

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	31 Mar 2016 (Ind AS-19)		31 Mar 2017 (Ind AS -19)	
Defined Benefit Obligation (Base)	13,09,390		15,03,259	
(% change compared to base due to sensitivity)	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	14,07,443	12,24,692	16,18,766	14,03,623
Salary Growth Rate (- / + 1%)	10,93,533	15,51,932	12,53,431	17,61,564
Attrition Rate (- / + 1%)	12,12,549	13,96,430	13,94,898	16,00,520
Mortality Rate (- / + 1%)	13,07,523	13,11,254	15,01,158	15,05,351

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 Mar 2017	31 Mar 2016
Within the next 12 months (next annual reporting period)	2,31,368	2,10,335

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2016: 10 years).

Compensated Absences

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

b) **Defined Contribution Plan**

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognised Rs. 2.12 Lakhs (Previous Year Rs.2.62 Lakhs) for provident fund contribution in the statement of profit or loss account.

26.10 **Financial Instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2017 were as follows: (Rs. in Lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	49.70	-	49.70
Cash and cash equivalents	0.16	-	-	0.16
Bank balance other than cash and cash equivalents	27.00	-	-	27.00
Trade Receivables	1,639.09	-	-	1,639.09
Loans	2,245.50	-	-	2,245.50
Other Financial Assets	1,430.71	-	-	1,430.71
Financial liabilities:				
Borrowings	7,463.25	-	-	7,463.25
Trade Payables	527.92	-	-	527.92
Other Financial Liabilities	521.38	-	-	521.38

The carrying value and fair value of financial instruments by categories as at 31st March 2016 were as follows: (Rs. in lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	45.63	-	45.63
Cash and cash equivalents	4.93	-	-	4.93
Bank balance other than cash and cash equivalents	66.32	-	-	66.32
Trade Receivables	250.15	-	-	250.15
Loans	1,978.38	-	-	1,978.38
Other Financial Assets	1,266.20	-	-	1,266.20
Financial liabilities:				
Borrowings	10,585.30	-	-	10,585.30
Trade Payables	57.45	-	-	57.45
Other Financial Liabilities	560.15	-	-	560.15

The carrying value and fair value of financial instruments by categories as at 01st April 2015 were as follows:

(Rs. in lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	43.53	-	43.53
Cash and cash equivalents	2.47	-	-	2.47
Bank balance other than cash and cash equivalents	212.51	-	-	212.51
Trade Receivables	-	-	-	-
Loans	2,084.38	-	-	2,084.38
Other Financial Assets	1,235.99	-	-	1,235.99
Financial liabilities:				
Borrowings	7,661.82	-	-	7,661.82
Trade Payables	33.87	-	-	33.87
Other Financial Liabilities	137.15	-	-	137.15

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

26.11 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, loans, cash and bank balance, trade and other receivables.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

Long term borrowings of the company bear fixed interest rate, thus interest rate risk is limited for the company.

b) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company does not undertake transactions denominated in foreign currencies; consequently company activities are not exposed to exchange rate fluctuations.

c) **Equity price risk**

The equity price risk is the risk arising from uncertainties about future values of the investment securities. The Company does not have exposure to Equity price risk in investment except investments in mutual funds which are subject to minimal risk.

ii) **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

The company is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the company's financial results. The company attempts to mitigate credit risk by assessing the creditworthiness of customers and closely monitoring payment history.

There have been no material impairments to trade or other receivables in the two years included within these financial statements and no indication of enhanced customer credit risk.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

iii) **Liquidity risk**

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The management is responsible for liquidity, funding as well as settlement management. The Company manages the liquidity and fund requirements for its operations through borrowings. Further, certain interest bearing liabilities carry different interest rates.

The table below provides details regarding the contractual maturities of Financial Liabilities: (Rs. in lakhs)

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March 2017					
Borrowings	2,221.31	1,643.36	3,600.12	-	**7,464.78**
Trade payables	-	527.92	-	-	**527.92**
Interest accrued	-	497.08	-	-	**497.08**
Other Financial Liabilities	-	22.76	-	-	**22.76**
Total	**2,221.31**	**2,691.12**	**3,600.12**	**-**	**8,512.54**

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March 2016					
Borrowings	2,271.44	4,825.63	3,495.35	-	**10,592.42**
Trade payables	-	57.45	-	-	**57.45**
Interest accrued	-	541.54	-	-	**541.54**
Other Financial Liabilities	-	11.49	-	-	**11.49**
Total	**2,271.44**	**5,436.11**	**3,495.35**	-	**11,202.90**

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 01 April 2015					
Borrowings	-	3,024.09	4,655.26	-	**7,679.35**
Trade payables	-	33.87	-	-	**33.87**
Interest accrued	-	119.14	-	-	**119.14**
Other Financial Liabilities	-	0.48	-	-	**0.48**
Total	**-**	**3,177.58**	**4,655.26**	**-**	**7,832.84**

26.12 **Details of security and terms of repayment to Borrowings**

a) Non Current Borrowings - Term Loan

The company has availed Indian rupee term loan from a company which is repayable based on the availability of funds and interest rate charged is 12% p.a on daily average funds. Borrowings are secured by way of charge on the advances to film production / finance.

b) Current Borrowings - From Banks

The company has availed Indian rupee term loan from Central Bank of India which is repayable within 18 months from the date of disbursement or before release of the film whichever is earlier and interest rate charged is 14.20% p.a. Secured by first charge on all tangible assets, present and future of the all the films to be financed and Collateral Security of land given by promoters. Personal/Corporate Guarantee has been provided by Mr. Prasad V. Potluri, Managing Director, Mrs. Jhansi Surredi and M/s PVP Ventures Limited.

As on 31st March 2017, the company is overdue for a period of four months in repayment of dues to bank, amounting to Rs. 15 Crores, which were repaid subsequently on 03rd April 2017.

c) **Current Borrowings - From Related Parties & Companies**

The company has availed a loan from companies which are repayable on demand and interest rate charged by these companies varies from 15% to 18% p.a. These borrowings are secured by way of charge on the advances to film production/finance.

The company has availed an Interest free unsecured loan from subsidiary company which is repayable on demand.

26.13 **Cenvat Credit of Service Tax**

Based on the industry practice, company has availed the entire Cenvat Credit on input services available during the Financial Year 2016-17, as against proportionate Cenvat Credit availed as per the provisions of the Cenvat Credit Rules 2004 in the previous Financial Year.

26.14 Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs Nil (Rs.Nil in the previous year 2015-16).

26.15 **Capital Management**

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Company monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

(Rs. in lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Long Term Borrowings	3,600.12	3,495.35	4,655.26
Cash & Cash Equivalents	(0.16)	(4.93)	(2.47)
Bank Balances other than Cash & Cash Equivalents	(27.00)	(66.32)	(212.51)
Net Debt	**3,572.96**	**3,424.10**	**4,440.28**
Equity Share Capital	5,225.00	5,225.00	5,225.00
Other Equity	(1,809.25)	(607.15)	(1,038.38)
Total Equity	**3,415.75**	**4,617.85**	**6,263.38**
Debt Equity Ratio	**1.0460**	**0.7415**	**0.7089**

No changes were made in the objectives, policies or processes during the year ended 31st March 2017.

26.16 **Disclosure on Specified Bank Notes**

During the year, the company had Specified Bank Notes (SBNs) or Other Denomination Notes as defined in the MCA Notification G.S.R.308(E) dated 31st March 2017. The details of Specified Bank Notes (SBNs) held and transacted during the period from 08th November 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per notification is given below:

(Amount in Rs.)

Particulars	SBNs*	Other Denomination	Total
Closing cash in hand as on 08th November 2016	-	33,936	33,936
(+) Permitted Receipts	-	2,60,000	2,60,000
(-) Permitted Payments	-	(2,44,573)	(2,44,573)
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December 2016	**-**	49,363	49,363

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November, 2016.

26.17 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 Brahmayya & Co.
Chartered Accountants
Firm Reg.No. 000511S

Sd/-
K Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 30th May 2017

For and on behalf of the Board of Directors

Sd/-
Prasad V Potluri
Chairman & Managing Director

Sd/-
R Nagarajan
Director

Sd/-
A.Praveen Kumar
GM- Finance & Accounts

Sd/-
Mona Rajora
Company Secretary

Place : Chennai
Date : 30th May 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Picturehouse Media Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **Picturehouse Media Limited** ("the Holding Company" or "the 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 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 of the assets of the Group 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 adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 sub section (10) of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid Consolidated Ind AS 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 Group as at 31st March 2017, and their consolidated loss including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.26.1 to Consolidated Ind AS Financial statements, which explain that the current assets of the Group include:

a. Loans (including interest accrued) amounting to Rs.3,355.88 Lakhs of Holding Company

b. Films under production expenses amounting to Rs.4,944.88 Lakhs of Holding Company

As regards the loans for film production and uncertainty with respect to expenditure on films under production whose realisability is significantly dependent on timely completion of contemplated production of films, poses significant uncertainty on the eventual realisability of the above stated assets. The financial impact if any due to non-realisability is not ascertainable at this time.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit financial statements of two subsidiaries, whose financial statements reflect total assets of

Rs.17,588.28 Lakhs as at 31st March, 2017, total revenue of Rs.2,125.26 Lakhs for the year ended 31st March, 2017 and net profit of Rs.40.13 Lakhs for the year ended on that date. These audited financial statements and other financial information for these subsidiaries have been audited by other auditor whose reports have been furnished to us by the management. Our opinion on these consolidated financial statements is based on the reports of the other auditor.

(b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs.5.53 Lakhs as at 31st March, 2017, total revenue of Rs. Nil for the year ended 31st March, 2017 and net loss of Rs.3.83 Lakhs. These financial statements and other financial information of the subsidiary have been prepared by the management. Our opinion on these consolidated Ind AS financial statements is based solely on the management accounts.

(c) The financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 01st April 2015 included in these special purpose Consolidation Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 and the other accounting principles generally accepted in India audited by CNGSN & Associates LLP, Chartered Accountants whose report dated 23rd May 2016 and 29th May 2015 respectively, expressed unmodified opinion on those Consolidation financial Statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, we report to the extent applicable that:

a. We/the other auditors whose reports we have relied upon, 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 Ind AS Financial Statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it 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 including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer Note No: 26.3 to the Consolidation Ind AS Financial Statements.

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

   iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

   iv. The Group has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O.3407(E) dated the 08th November 2016 of the Ministry of Finance, during the period from 08th November 2016 to 30th December 2016 of the group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidation Ind AS financial statements and as produced to us and other auditors by the management of the respective group entities. Refer Note No: 26.18 to the Consolidation Ind AS Financial Statements.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No. 000511S

Sd/-
K. Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 30th May 2017

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Picturehouse Media Limited** as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Picturehouse Media Limited ("the Holding Company" or "the 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 Covered Entities 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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, 2017. "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 or interim 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 in Qualified Opinion paragraph, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report 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 the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies.

Our report is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of other auditors.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn. No:000511S

Sd/-
K. Jitendra Kumar
Partner
Membership No. 201825

Place : Chennai
Date : 30th May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(Rs in Lakhs)

	Particulars	Note No.	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
I	**ASSETS**				
(1)	**Non Current Assets**				
	(a) Property, Plant and Equipment	**6**	124.94	185.14	226.45
	(b) Good Will		3.93	3.93	3.93
	(c) Financial Assets				
	(i) Investments	**7**	49.70	45.63	43.53
	(ii) Other financial assets	**10**	12.44	38.06	33.12
	Total Financial Asset		**62.14**	**83.69**	**76.65**
	(d) Deferred tax assets (net)		-	-	-
	(e) Other non current assets	**13**	344.25	267.67	223.91
	Total Non Current Assets		**535.26**	**540.43**	**530.94**
(2)	**Current assets**				
	(a) Inventories	**11**	4,944.88	9,650.76	7,717.26
	(b) Financial Assets				
	(i) Investments	**7**	-	-	700.00
	(ii) Trade receivables	**9**	1,641.74	252.83	-
	(iii) Loans	**8**	17,143.78	20,179.67	19,231.94
	(iv) Cash and cash equivalents	**12**	454.22	82.83	275.13
	(v) Other financial assets	**10**	1,418.27	1,228.14	1,204.44
	Total Financial Asset		**20,658.01**	**21,743.47**	**21,411.51**
	(c) Other current assets	**13**	0.80	2.48	4.55
	Total Current Assets		**25,603.69**	**31,396.71**	**29,133.32**
(3)	**Non current assets classified as held for sale**		-	-	-
	Total Assets		**26,138.95**	**31,937.14**	**29,664.26**
II	**EQUITY AND LIABILITIES**				
A	**EQUITY**				
	(a) Equity Share Capital	**14**	5,225.00	5,225.00	5,225.00
	(b) Other Equity		761.54	1,926.48	2,860.38
	Total Equity		**5,986.54**	**7,151.48**	**8,085.38**
B	**LIABILITIES**				
(1)	**Non Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	**15**	3,600.12	3,495.35	4,655.26
	Total Financial Liabilities		**3,600.12**	**3,495.35**	**4,655.26**
	(b) Provisions	**18**	23.54	41.93	61.83
	(c) Deferred tax liabilities (Net)		-	-	-
	Total Non Current Liabilities		**3,623.66**	**3,537.28**	**4,717.09**
(2)	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	**15**	13,228.26	19,353.38	16,121.44
	(ii) Trade payables	**16**	533.78	65.62	39.08
	(iii) Other financial liabilities	**17**	522.75	566.53	137.20
	Total Financial Liabilities		**14,284.79**	**19,985.53**	**16,297.72**
	(b) Provisions	**18**	855.92	877.36	437.55
	(c) Other current liabilities	**19**	1,388.04	385.49	126.52
	Total Current Liabilities		**16,528.75**	**21,248.38**	**16,861.79**
(3)	**Liabilities associated with non current assets held for sale**		-	-	-
	Total Equity and Liabilities		**26,138.95**	**31,937.14**	**29,664.26**

Summary of Significant Accounting Policies
The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

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

(Rs in Lakhs)

Particulars	Note	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Income			
Revenue from Operations	20	11,793.46	12,942.83
Other Income	21	22.55	21.55
Total Income		**11,816.01**	**12,964.38**
Expenses			
Cost of Film Production expenses	22	9,782.61	9,175.36
Purchase of Intangible Asset		-	10.69
Employee Benefit Expenses	23	161.05	279.72
Finance Costs		2,762.96	3,142.47
Depreciation and Amortisation	6	50.85	61.26
Other Operating and General Expenses	24	293.14	808.87
Contingent Provision on Standard Assets		-	9.86
Total Expenses		**13,050.61**	**13,488.23**
Profit Before Tax and Exception items		**(1,234.60)**	**(523.84)**
Exceptional Items	25	(102.76)	-
Profit / (Loss) Before Tax		**(1,131.84)**	**(523.84)**
Tax Expenses			
Current Tax		49.31	422.37
Deferred Tax		-	-
Income Tax relating to earlier years		(11.74)	-
Total		**37.57**	**422.37**
Profit / (Loss) for the period		**(1,169.41)**	**(946.22)**
Other Comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit obligation		4.51	11.96
Less :-income tax expense		-	-
Other Comprehensive income for the year, net of tax		**4.51**	**11.96**
Total Comprehensive Income for the year,net of tax		**(1,164.90)**	**(934.26)**
Earnings Per Share			
Basic and Diluted - (Rs.)		**(2.24)**	**(1.81)**
Face Value per Ordinary share - (Rs.)		**10.00**	**10.00**

Summary of Significant Accounting Policies
The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lakhs)

		As at Mar 31, 2017	As at Mar 31, 2016
A.	**Cash Flow from Operating Activities**		
	Profit / (Loss) before Tax	**(1,131.84)**	**(523.84)**
	Adjustments for:		
	Depreciation and Amortization	50.85	61.26
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property	0.37	-
	Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)	(0.02)	0.35
	Net (gain)/loss recorded in profit or loss on financial assets / liabilities measured or designated as at fair value through profit or loss	(4.07)	(2.11)
	Employee provisions	(55.30)	36.90
	Provision for doubtful advances	12.09	-
	Interest written off on staff advances	4.78	-
	Baddebts written off	10.84	1.34
	Contingent Provision on Standard Assets	-	9.86
	Interest Income	(0.28)	(0.21)
	Interest Expenses	2,762.96	3,142.47
	Cash Generated Before Working Capital Changes	**1,650.38**	**2,726.02**
	Movement In Working Capital		
	Increase / (Decrease) in Trade Payables	468.15	26.55
	Increase / (Decrease) in Provisions	(17.60)	(37.26)
	Increase / (Decrease) in Short term advances	3,023.80	(947.73)
	Increase / (Decrease) in Other Financial Liabilities	1,002.55	258.97
	Increase / (Decrease) in Other Liabilities	6.26	17.33
	(Increase) / Decrease in Trade Receivables	(1,399.74)	(254.17)
	(Increase) / Decrease in Inventories	4,705.87	(1,933.50)
	(Increase) / Decrease in Other Financial Assets	(169.26)	(28.53)
	(Increase) / Decrease in Other Assets	1.67	2.08
	Cash Generated From Operations	**9,272.08**	**(170.24)**
	Direct Taxes Paid	(76.58)	(43.76)
	Net Cash Flow From / (Used in) Operating Activities	**9,195.50**	**(214.00)**
B.	**Cash Flow from/(used in) Investing Activities**		
	Purchase of PPE, Intangible Assets and Investment Property	(1.89)	(19.95)
	Proceeds from Sale of PPE, Intangible Assets and Investment Property	10.86	-
	Sale / (Purchase) of Current Investments (Net)	-	700.00
	Interest Income Received	0.25	0.10
	Net Cash Flow From / (Used in) Investing Activities	**9.22**	**680.15**
C.	**Cash Flow from/ (used in) Financing Activities**		
	Proceeds from Short - Term Borrowings	27.31	4,544.50
	Repayment of Short - Term Borrowings	(6,152.43)	(1,312.55)
	Proceeds from Long Term Borrowings	104.77	-
	Repayment of Long Term Borrowings	(5.58)	(1,170.32)
	Interest Paid	(2,807.43)	(2,720.06)
	Net Cash Flow From / (Used in) Financing Activities	**(8,833.36)**	**(658.43)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	371.39	(192.30)
	Cash and Cash Equivalents at the beginning of the year	82.83	275.13
	Cash and Cash Equivalents at the end of the year	**454.22**	**82.83**
	Components of Cash and Cash Equivalents		
	Cash on Hand	0.16	4.93
	Balances with Banks		
	-On Current Accounts & Deposit Accounts)	454.06	77.90
	Cash and cash Equivalent (as per Note 12)	**454.22**	**82.83**

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.
2. Previous year's figures have been regrouped and reclassified to confirm to those of the current year.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lakhs)

Particulars	Equity Share Capital	Reserves & Surplus						Other Comprehensive Income		Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Statutory Reserve	Exchange Fluctuation Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income	
Balance as on 01st April 2015	**5,225.00**	**182.50**	**2,305.24**	**22.88**	**0.86**	**361.32**	**(12.42)**	**-**	**-**	**2,860.38**
Changes in Equity for the year ended 31st March 2016										-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	11.96	11.96
Profit for the period	-	-	(1,085.61)	-	-	139.40	0.35	-	-	(945.86)
Balance as on 31st March 2016	**5,225.00**	**182.50**	**1,219.63**	**22.88**	**0.86**	**500.72**	**(12.07)**	**-**	**11.96**	**1,926.48**
Changes in Equity for the year ended 31st March 2017										-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	4.51	4.51
Profit for the period	-	-	(1,172.86)	-	-	3.45	(0.02)	-	-	(1,169.45)
Balance as on 31st March 2017	**5,225.00**	**182.50**	**46.77**	**22.88**	**0.86**	**504.17**	**(12.09)**	**-**	**16.46**	**761.54**

Summary of Significant Accounting Policies
The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.
For BRAHMAYYA & CO
CHARTERED ACCOUNTANTS
Firm. Reg.No. 000511S

Sd/-
K. JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : May 30, 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director

Sd/-
R. NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : May 30, 2017

Summary of significant accounting policies and other explanatory information to the Consolidated Ind AS Financial Statements for the year ended 31st March 2017

1. **Corporate Information**

   Picturehouse Media Limited ("the Parent Company") is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The Parent Company has three subsidiaries. The main activities of the Parent Company along with its subsidiaries, are of Movie Production and Movie Financing related activities. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

   The Consolidated Ind AS Financial Statements of the Group for the year ended 31st March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 30th May 2017.

2. **Significant Accounting Policies**

   Basis of Preparation of Financial Statements

   These financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

   The Group has adopted all the Ind AS Standards and the adoptions was carried out in accordance with ***Ind AS 101 First Time adoption of Indian Accounting Standards.*** The transition was carried out from Indian Accounting principles generally accepted in India as prescribed under sec 133 of the companies act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

   Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hither to in use.

   All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in ***Ind AS 1 Presentation of Financial Statements*** and ***Schedule III to the Companies Act, 2013.***

   a) **Basis of consolidation:**

      i) The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

      When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

      Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

      Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

      Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

      All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

      In case of subsidiaries consolidated for the first time consequent to adoption of IND AS, the deemed cost of goodwill as of the transition date has been computed to equal the difference between:

      - the Group's interest in carrying amounts of assets and liabilities; and
      - the cost, in the Parent Company's separate financial statements, of its investment in the subsidiary.

      Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

ii) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iii) List of Subsidiaries and proportion of voting power held:

Name of the 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)

iv) During the Financial Year 2015-16, Bloomfield Power Projects Private Limited was merged with the PVP Global Ventures Private Limited, which is a 100% subsidiary of PVP Ventures Limited 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 Limited (PVP). Total Investment of 51.46% in Picturehouse Media Limited (PHML) is held by PVP along with its subsidiaries.

b) **Current/ Non Current Classification**

An asset is classified as current when

1) It is expected to be realized or consumed in the Group's normal operating cycle;
2) It is held primarily for the purpose of trading;
3) It is expected to be realized within twelve months after the reporting period; or
4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not confirming to the above is classified as non-current.

A liability is classified as current when

1) It is expected to be settled in the normal operating cycle of the Group;
2) It is held primarily for the purpose of trading;
3) It is expected to be settled within twelve months after the reporting period; or
4) The Group has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

c) **Functional and Presentation Currency**

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the Group operate.

d) **Property, Plant and Equipment:**

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

e) **Impairment of Property, Plant & Equipment:**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

f) **Inventory**

Inventory consists of investments in films and associated rights, including acquired rights and advances to talent associated with film production, are stated at lower of cost / unamortised cost or realisable value. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors.

A charge is made to write down the cost once the film is theatrically exhibited commercially. Charge is recognized in the income statement within cost of production.

g) **Foreign Currency Translation:**

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Treatment of Exchange differences

Exchange differences arising on settlement/ restatement of short term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the statement of Profit or loss.

On transition to Ind AS, the Group has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long –term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

Group Companies

For the purposes of the consolidated financial statements, items in the consolidated statements of profit or loss of those operations for which the Indian Rupees is not the functional currency are translated to Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet are translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in profit or loss.

h) **Assets taken on lease:**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All the other leases are classified as operating leases.

Operating lease payments are recognized as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease or the payments of lease rentals are in line with the expected general inflation compensating the lessor for expected inflationary cost. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Assets held under finance lease are capitalised at the inception of the lease, with corresponding liability being recognised for the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of Profit or Loss so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

i) **Financial Instruments**

1) **Initial Recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2) **Subsequent Measurement**

i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) **Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

iv) **Financial Liability**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

v) **Investment in Subsidiaries**

Investments in subsidiaries are carried at cost in accordance with Ind AS 27 Separate Financial Statements.

3) **Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or its transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

4) **Impairment of Assets**

Financial Assets (other than at fair value):

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

5) **Fair value of Financial Instruments**

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

j) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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 Group, 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. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

k) **Revenue Recognition**

1) Revenue is recognized, net of sales related taxes, when the agreement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Group considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

Theatrical — Contracted minimum guarantees are recognized on the theatrical release date. The Group's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Group.

Other rights - other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date when the rights are made available to the assignee for exploitation.

2) Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3) Sale of Intangibles assets are recognised when asset are sold to customers which generally coincides with the delivery and acceptance. Income earned on licensing the copyrights is recognised on time proportion basis.

4) In respect of PVP Capital Limited, Interest income on loans is accrued over the maturity of the loan where the interest is serviced regularly as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the company. Interest on loans which are classified as non-performing assets and are accounted for on realization basis.

5) Dividend from investments is accounted for as income when the right to receive dividend is established.

l) **Employee Benefits**

Gratuity

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required under Ind AS complaint schedule III, the Group transfers it immediately to retained earnings.

Compensated Absences

The Group has a policy on compensated absences which are both accumulating and non accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Other Benefit Plans

Contributions paid/payable under defined contributions plans are recognised in the statement of Profit or Loss 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.

m) **Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) **Current Income Tax**

Current Income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii) **Deferred Income Tax**

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income tax assets are recognised for all deducted temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

n) **Borrowing Costs**

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

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

o) **Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p) **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

q) **Exceptional Items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

r) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of “Movie Production and Movie Financing related activities”. The Holding Company, Picturehouse Media Limited operates only in entertainment segment, whereas PVP Cinema Private Limited, the subsidiary, did not have any commercial activity, PVP Capital Limited is in the media financing business and Picturehouse Media Limited, Singapore operates only in entertainment segment. Thus, as defined in Ind AS 108 “Operating Segments”, the Group’s entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

3. **Critical accounting estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Group is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to profit and loss account. As well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Useful lives of property, plant and equipment and intangible assets:** The group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The group reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

4. Standards issued but not yet effective:

As per Companies (Indian Accounting Standards) (Amendment) Rules, 2017 dated 17th March 2017 MCA has notified amendments to two new standards namely Ind AS 102 - Share-based Payment and Ind AS 7 - Statement of Cash Flows which will be effective from 1st April 2017.

During current year, there are no share based payments transactions occurred and hence Ind AS 102 is not applicable to the Group. Further, amendment to Ind AS 7 pertains to additional disclosure requirement such as "An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes". The Group has not opted for early adoption of the above amendments and will not have any material impact on the financial statements of the Group when adopted.

5. Disclosures as required by Indian Accounting Standard (Ind AS) 101 first time adoption of Indian accounting standard.

These standalone financial statements of the Group for the year ended 31st March 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Group has followed the guidance prescribed in Ind AS 101 – First Time adoption of Indian Accounting Standard, with 01st April 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note No 2 have been applied in preparing the Standalone Ind AS Financial Statements for the year ended 31st March 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet, Statement of Profit or Loss and Statement of Cash Flows is set out in Note 5.2 Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in 5.1.

5.1 Exemptions availed on first time adoption of Ind AS 101

On first time adoption of Ind AS, Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions.

a. **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 01st April 2015 and 31st March 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

b. The Group has elected to avail the exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment as per the statement of financial position prepared in accordance with previous GAAP.

c. **Ind AS 27 Separate Financial Statements:**

The Group has elected to avail the exemption under Ind AS 101 to use Indian GAAP carrying value of the investments in subsidiaries at deemed cost determined in accordance with Ind AS 27 Separate Financial Statements.

d. Ind AS 103 Business Combinations has not been applied to acquisitions, which are considered businesses under Ind AS that occurred before 01st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that were required to be recognised under Ind AS, is their deemed cost at the date of acquisition, measurement is in accordance with respective Ind AS. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

5.2. Reconciliations

The following Reconciliaitons provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

5.2.1. Reconciliation of Equity as previously reported under IGAAP to Ind AS.

(Rs in Lakhs)

Particulars	Refer Note No	Balance Sheet as at 31st March 2016			Opening Balance Sheet as at 01st April 2015		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
Assets:							
Non-Current Assets							
Property, Plant and Equipment		185.14	-	185.14	226.45	-	226.45
Goodwill		3.93	-	3.93	3.93	-	3.93
Financial Assets							
Investments	1	43.00	2.63	45.63	43.00	0.53	43.53
Other Financial Assets		38.06	-	38.06	33.12	-	33.12
Other non-current assets		267.67	-	267.67	223.91	-	223.91
		537.79	**2.63**	**540.43**	**530.41**	**0.53**	**530.94**
Current Assets							
Inventories		9,650.76	-	9,650.76	7,717.26	-	7,717.26
Financial Assets							
Trade receivables		252.83	-	252.83	-	-	-
Cash and cash equivalents		82.83	-	82.83	275.13	-	275.13
Investments		-	-	-	700.00	-	700.00
Loans		20,179.67		20,179.67	19,231.94	-	19,231.94
Other Financial Assets		1,228.14	-	1,228.14	1,204.44	-	1,204.44
Other current assets		2.48	-	2.48	4.55	-	4.55
		31,396.71	**-**	**31,396.71**	**29,133.32**	**-**	**29,133.32**
Total Assets		**31,934.50**	**2.63**	**31,937.14**	**29,663.74**	**0.53**	**29,664.26**
Equity & Liabilities:							
Equity							
Equity Share Capital		5,225.00	-	5,225.00	5,225.00	-	5,225.00
Other equity	5.2.3	1,896.43	30.05	1,926.48	2,859.85	0.53	2,860.38
		7,121.43	**30.05**	**7,151.48**	**8,084.85**	**0.53**	**8,085.38**
Non-Current Liabilities							
Financials Liabilities							
Borrowings		3,495.35	-	3,495.35	4,655.26	-	4,655.26
Provisions		41.93	-	41.93	61.83	-	61.83
		3,537.28	**-**	**3,537.28**	**4,717.09**	**-**	**4,717.09**
Current liabilities							
Financial Liabilities							
Borrowings		19,353.38	-	19,353.38	16,121.44	-	16,121.44
Trade Payables		65.62	-	65.62	39.08	-	39.08
Other financial liabilities		566.53	-	566.53	137.20	-	137.20
Provisions	2	904.78	(27.42)	877.36	437.55	-	437.55
Other Liabilities		385.49	-	385.49	126.52	-	126.52
		21,275.80	**(27.42)**	**21,248.38**	**16,861.79**	**-**	**16,861.79**
Total Equity & Liabilities		**31,934.50**	**2.63**	**31,937.14**	**29,663.74**	**0.53**	**29,664.26**

5.2.2. Reconciliation statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Rs in Lakhs)

Particulars	Refer Note No	01 Apr 2015 to 31 Mar 2016		
		IGAAP	Adjustment	Ind AS
Revenue from operations		12,942.83	-	12,942.83
Other income	1	19.44	2.11	21.55
Total Income (i)		**12,962.27**	**2.11**	**12,964.38**
Expenses				
Cost of Film Production expenses		9,175.36	-	9,175.36
Purchase of Intangible Asset		10.69	-	10.69
Employee Benefit Expenses	3	267.76	11.96	279.72
Finance Costs		3,142.47	-	3,142.47
Depreciation and Amortisation		61.26	-	61.26
Other Operating and General Expenses	2	836.29	(27.42)	808.87
Contingent Provision on Standard Assets		9.86	-	9.86
Total Expenses (ii)		**13,503.69**	**(15.46)**	**13,488.23**
Profit/(loss) before exceptional items (iii)=(i) -(ii)		**(541.42)**	**17.57**	**(523.85)**
Exceptional items (iv)		**-**	**-**	**-**
Profit/(loss) before tax (v)=(iii)+(iv)		**(541.42)**	**17.57**	**(523.85)**
(1) Current tax		422.37	-	422.37
(2) Deferred tax		-	-	-
(3) Income tax for earlier years		-	-	-
Income tax expense (vi)		422.37	-	422.37
Profit/(loss) for the period (vii)= (v)-(vi)		**(963.79)**	**17.57**	**(946.22)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains (losses) on defined benefit plans		-	11.96	11.96
Income tax effect		-	-	-
Other Comprehensive income, net of tax (viii)		**-**	**11.96**	**11.96**
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (ix) =(vii)+(viii)		**(963.79)**	**29.53**	**(934.26)**

5.2.3. Reconciliation of Total Equity as at 31st March 2016 and 01st April 2015

(Rs in Lakhs)

Particulars	Refer Note No	As at 31 Mar 2016	As at 1 Apr 2015
Total Equity (Shareholders Fund) under Previous GAAP		**7,121.43**	**8,084.85**
Adjustments:			
Gain on Fair Value of Mutual Funds	1	2.63	0.53
Other Adjustments	2	27.42	-
Total Equity under Ind AS		**7,151.48**	**8,085.38**

5.2.4. Reconciliation of Profit After Tax (PAT) as previously reported under GAAP vs Ind AS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2016
Net Profit/(Loss) after tax as previous Indian GAAP	**(963.79)**
Increased in Profit is due to	
Remeasurements of employment benefit obligation	(11.96)
Other Adjustments	27.42
Gain on Fair Value of Mutual Funds	2.11
Net Profit/ (Loss) after Tax before OCI as per the IND AS	**(946.22)**

Explanation Notes

Note No 1: Investments in Mutual Funds

Under Previous GAAP, the company accounted for investments in Mutual Funds measured at lower of cost or fair value.Under Ind AS, the company has designated such investments at fair value through profit and loss which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and previous GAAP carrying amount has been adjusted in equity as on transition date.

Note No 2: Other Adjustments

The company derecognises the Corporate Social Responsibility Expenditure as per Ind AS 101 “First time adoption of Indian Accounting Standards”.

Note No 3: Net Gain/ (loss) on fair value of defined benefit plans

The company has recognised remeasurement gains/(loss) on defined benefit plans in Other Comprehensive Income. These changes are accumulated within the Other Comprehensive Income reserve within other equity.

5.2.5 Statement of Cash Flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Notes to Consolidated Financial Statements for the year ended 31st March 2017

Note No 6 : PROPERTY, PLANT & EQUIPMENT

(Rs in Lakhs)

Particulars	Plant & Machinery	Computers & Related Assets	Furniture & Fixtures	Vehicles	Office Equipments	Total
Gross Block						
As at 01st April 2015	**1.22**	**14.39**	**18.06**	**135.77**	**57.01**	**226.45**
Additions	-	1.80	0.29	6.00	11.87	19.95
Deletions	-	-	-	-	-	-
As at 31st March 2016	**1.22**	**16.19**	**18.35**	**141.77**	**68.88**	**246.40**
Additions	-	0.51	-	-	1.37	1.88
Disposals	-	-	-	(17.69)	(0.09)	(17.78)
As at 31st March 2017	**1.22**	**16.70**	**18.35**	**124.08**	**70.16**	**230.50**
Depreciation						
For the period 2015-16						
Charges for the period	0.38	10.99	3.41	23.71	22.77	61.26
on disposals	-	-	-	-	-	-
As at 31st March 2016	**0.38**	**10.99**	**3.41**	**23.71**	**22.77**	**61.26**
For the period 2016-17						
Charges for the period	0.38	2.36	3.42	23.09	21.61	50.86
on Disposals	-	-	-	(6.46)	(0.09)	(6.55)
As at 31st March 2017	**0.38**	**2.36**	**3.42**	**16.63**	**21.52**	**44.31**
Net Block						
As at 31st March 2016	**0.84**	**5.20**	**14.94**	**118.06**	**46.11**	**185.14**
As at 31st March 2017	**0.46**	**3.35**	**11.52**	**83.74**	**25.87**	**124.94**

Note: Gross Block as on 01.04.2015 represents deemed cost (Gross Block - Accumulated Depreciation) as per Ind AS 101.

Note 7: INVESTMENTS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current Investments			
Investments carried at fair value through profit and loss			
Investment in Mutual Fund			
Investment in Canara Robeco Mutual Funds	49.70	45.63	43.53
	49.70	45.63	43.53
Less: Provision for diminution in value of investment	-	-	-
	49.70	**45.63**	**43.53**
Current Investments			
Investments in Mututal funds - Reliance Liquid Fund	-	-	700.00
	-	-	**700.00**
	49.70	**45.63**	**743.53**

Note 8: LOANS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current Loans			
Secured - Considered Good			
Loans to others			
Advances for Film Finance	17,005.91	20,027.89	19,048.17
Unsecured - Considered Good			
Other Loans			
Advances for Staff	137.87	138.11	171.68
Unsecured - Considered Doubtful			
Advances for Others	-	13.67	12.09
	17,143.78	**20,179.67**	**19,231.94**
Total Loans	**17,143.78**	**20,179.67**	**19,231.94**

Note 9: TRADE RECEIVABLES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Unsecured - Considered Good			
Trade Receivables	1,641.74	252.83	-
	1,641.74	**252.83**	**-**

Note 10: OTHER FINANCIAL ASSETS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Security Deposits - Considered Good	12.44	38.06	33.12
	12.44	**38.06**	**33.12**
Current			
Interest Accrued on Staff loans	63.48	68.27	19.18
Interest Accrued on Movie Finance	1,248.25	1,159.19	1,091.58
Interest Accrued Others	0.14	0.10	-
Advances for Others	106.40	0.58	93.68
	1,418.27	**1,228.14**	**1,204.44**
Total Other Financial Assets	**1,430.71**	**1,266.20**	**1,237.56**

Note 11: INVENTORIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Film Production Expenses - Work in Progress (Valued at cost or net realizable value which ever is less)	4,944.88	9,650.76	7,717.26
	4,944.88	**9,650.76**	**7,717.26**

Note 12: CASH & CASH EQUIVALENTS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Balance with banks	454.06	77.90	272.63
Cash on hand	0.16	4.93	2.50
	454.22	**82.83**	**275.13**

Note 13: OTHER ASSETS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Others			
Advance Income Tax & TDS Receivable	344.25	267.67	223.91
	344.25	**267.67**	**223.91**
Current			
Others			
Service Tax Input	-	0.20	-
Prepaid Expenses	0.80	2.28	4.55
	0.80	**2.48**	**4.55**
	345.05	**270.15**	**228.46**

Note 14: EQUITY SHARE CAPITAL

(a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Authorised Share Capital			
8,00,00,000 Equity Shares of Rs. 10/- each	8,000.00	8,000.00	8,000.00
Issued, Subscribed and Paid Up			
5,22,50,000 equity shares of Rs. 10 each	5,225.00	5,225.00	5,225.00
	5,225.00	**5,225.00**	**5,225.00**

(b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,68,89,405 equity shares (as at 31st March 2016 - 2,68,89,405 equity shares; as at 1st April, 2015 - 1,87,89,405 equity shares) in the Company.

(c) Equity Shares in the company held by each shareholder holding more than 5%:

Name of shareholder	As at 31 Mar 2017		As at 31 Mar 2016		As at 1 Apr 2015	
	Number of Shares	% held	Number of Shares	% held	Number of Shares	% held
PVP Ventures Limited	3,353,114	6.42%	3,353,114	6.42%	3,353,114	6.42%
Jhansi Sureddi	11,757,249	22.50%	11,757,249	22.50%	11,757,249	22.50%
Rayudu Media Projects Private Limited	4,506,490	8.62%	4,506,490	8.62%	4,506,490	8.62%
PVP Global Ventures Private Limited	11,236,641	21.50%	11,236,641	21.50%	3,136,641	6.00%
PVP Media Ventures Private Limited	12,299,650	23.54%	12,299,650	23.54%	12,299,650	23.54%
Bloomfield Power Projects Private Limited	-	0.00%	-	0.00%	8,100,000	15.50%
Total	**43,153,144**	**82.58%**	**43,153,144**	**82.58%**	**43,153,144**	**82.58%**

(d) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 Mar 2017		As at 31 Mar 2016		As at 1 Apr 2015	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	522,500,000	52,250,000	522,500,000	52,250,000	522,500,000
Add: Number of Shares allotted during the year	-	-	-	-	-	-
Less: Number of Shares bought back	-	-	-	-	-	-
Number of equity shares outstanding at the end of the year	**52,250,000**	**522,500,000**	**52,250,000**	**522,500,000**	**52,250,000**	**522,500,000**

(e) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

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

(**f**) The company does not have any Bonus Shares Issued, Shares issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2017).

(g) The Company has not issued any shares under The Employee Stock Option Plans (ESOP).

Note 15: BORROWINGS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Secured			
From a company	3,600.12	3,495.35	4,648.85
From Banks - Vehicle Loans	1.54	7.12	23.94
Current Maturity of Long Term Debt (Note No: 17)	(1.54)	(7.12)	(17.53)
	3,600.12	**3,495.35**	**4,655.26**
Current			
Secured			
From Banks (including interest accrued and due)	11,661.88	11,634.57	12,947.13
From companies	1,566.38	7,718.81	3,174.31
	13,228.26	**19,353.38**	**16,121.44**
Total Borrowings	**16,828.38**	**22,848.73**	**20,776.70**

Refer Note No: 26.12 & 26.13 for security details and terms of repayment.

Note 16: TRADE PAYABLES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Sundry Creditors for services	533.78	65.62	39.08
	533.78	**65.62**	**39.08**

Note 17: OTHER FINANCIAL LIABILITIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Current Maturity of Long Term Debt	1.54	7.12	17.53
Interest Accrued	497.08	541.54	119.14
Employee Related payables	9.03	17.87	0.53
Provision for outstanding expenses	15.10	-	-
Total Other Financial Liabilities	**522.75**	**566.53**	**137.20**

Note 18: PROVISIONS

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Non Current			
Provision for Employee Benefits			
Grauity	15.90	41.93	41.08
Leave Encashment	7.64	-	20.75
	23.54	**41.93**	**61.83**
Current			
Provision for Employee Benefits			
Grauity	4.58	2.90	1.15
Leave Encashment	-	43.09	-
Others			
Provision for income tax	789.96	769.99	384.88
Provision against Standard Assets	61.38	61.38	51.52
	855.92	**877.36**	**437.55**
Total Provisions	**879.46**	**919.29**	**499.38**

Note 19: OTHER LIABILITIES

(Rs in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Current			
Revenue Received in Advance			
Income received in advance	849.71	119.87	55.97
Others			
Statutory Dues payable	538.33	265.62	70.55
Total Other Current Liabilities	**1,388.04**	**385.49**	**126.52**

Note 20: REVENUE FROM OPERATIONS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Income from Movie Rights & Related Activities	9,101.66	9,043.38
Income from Film Financing Activity	2,675.33	3,886.31
Sale of Intangible Assets	-	13.14
Commission income	16.47	-
	11,793.46	**12,942.83**

Note 21: OTHER INCOME

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
OTHER INCOME		
Interest income on Income tax refund	15.31	-
Interest income on Staff Advances	-	19.23
Profit on Sale of Assets	0.52	-
Sundry Creditors Written off	2.40	-
Miscellaneous Income	4.32	2.32
	22.55	**21.55**

Note 22: COST OF FILM PRODUCTION EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Opening Film Production Expenses	9,650.76	7,717.26
Add: Current year Expenses	5,076.73	11,108.86
	14,727.49	**18,826.12**
Less: Closing Film Production Expenses	4,944.88	9,650.76
	9,782.61	**9,175.36**

Note 23: EMPLOYEE BENEFIT EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Salaries and wages	153.10	268.19
Contribution to Provident and other funds	2.12	2.62
Staff welfare expenes	5.83	8.91
	161.05	**279.72**

Note 24: OTHER EXPENSES

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Rent	41.04	94.12
Insurance	3.39	3.84
Power and Fuel	8.15	14.26
Printing & Stationery	4.75	7.32
Communication Expenses	9.49	16.95
Repairs to machinery	4.76	5.20
Registration Charges	4.06	0.68
Security Charges	1.66	4.40
Rates & taxes	0.74	2.23
Payment to statutory auditors		
as auditors	14.84	18.06
for tax audit	2.50	2.50
for certification	3.00	3.00
Directors Sitting Fees	5.71	6.35
Legal, Professional and consultancy	44.40	46.04
Office Maintenance	33.66	40.30
Advertisement, publicity and sales promotion	2.39	2.65
Investor related expenses including Listing Fees	6.10	5.83
Travelling Expenses including Conveyance	65.85	95.55
Charity & Donations	-	20.11
Service Tax	4.22	417.75
Bad debts Written Off	10.84	1.34
Provision for Doubtful Advances	12.09	
Loss sale of asset	0.89	-
Exchange Fluctuation Loss	-	0.04
Advances Written Off	4.78	-
Miscellaneous expenses	3.84	0.35
	293.14	**808.87**

Note 25: EXCEPTIONAL ITEMS

(Rs in Lakhs)

Particulars	For the year ended 31 Mar 2017	For the year ended 31 Mar 2016
Excess provision on Employee Benefits Written back	(46.32)	-
Liabilities Written Back	(56.45)	-
	(102.76)	-

26. Notes to Accounts

26.1 The current assets of the company include loans and expenditure on films under production. As regards the loans, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards films under production expenses includes payments to artists and technicians, the company is evaluating options for optimal utilization of these payments in making films. And accordingly the company is confident of realising the entire value of expenditure on films under production. The management does not foresee any erosion in carrying value.

26.2 **Micro, Small and Medium Enterprises (MSME)**

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

26.3 **Contingent Liabilities:**

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. 135.98 lakhs. 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 Non Current Assets".

26.4 **Lease Rentals**

The Group has entered into operating lease agreements for office premises and an amount of Rs. 41.04 Lakhs (2016: Rs. 94.12 Lakhs) paid under such agreement have been charged to statement of Profit & Loss.

The details with regard to operating lease obligations with respect to Office premises are as under.

(Rs. in Lakhs)

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Due within 1 year from the Balance Sheet date	25.57	31.26
Due between 1 and 5 years	62.64	88.21
Due after 5 years	Nil	Nil

26.5 **Disclosure in Accordance with Ind AS -24 Related Party Transactions**

a) **Names of related parties and nature of relationship**

Names of the Related party	Relationship
PVP Ventures Ltd (PVP)	Holding Company
Mr. Prasad V. Potluri	Key Managerial Personnel
Mr. A.Praveen Kumar	
Mr. P Bhanu Prakash	
Mr.Vinay Chilakapati	
Ms. Mona Rajora	
Mrs.Padma Potluri (Upto 06th March 2017)	Directors
Mr.R.Nagarajan	
Mr.N.S.Kumar	

b) **Summary of transactions and outstanding balances with the above related parties**

(Amount in Lakhs)

Nature of transactions	Transactions for the year ended		Balance as at	
	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Ma 2017
Salaries & Perquisites paid to KMP	34.30	63.12	Nil	2.86
Interest Accrued and Loans Outstanding with KMP	19.23	Nil	205.27	200.48
Sitting Fees paid to Directors	4.90	4.35	Nil	Nil
Corporate guarantee and security from PVP Ventures Limited to Picturehouse Media Limited	Nil	Nil	3,000.00	1,500.00
Corporate guarantee and security from PVP Ventures Limited to PVP Capital Limited	Nil	Nil	10,000.00	10,000.00

26.6 **Earnings per Share**

Particulars	Ref	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Profit after Tax (in lakhs.)	A	(1,169.41)	(946.22)
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
Earnings per share - Basic & Diluted in Rs.	A/C	**(2.24)**	**(1.81)**

26.7 **Deferred Tax**

Deferred tax asset has not been recognised in respect of the following items,

(Rs. in Lakhs)

Particulars	31 Mar 2017		31 Mar 2016	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	1,373.22	453.98	103.67	34.27
Tax Losses	1,427.94	472.08	1,572.97	520.02
Total	**2,801.16**	**926.06**	**1,676.64**	**554.30**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31.03.2017.

26.8 **Income tax Expenses**

Particulars	31 Mar 2017	31 Mar 2016
Current tax	49.31	422.36
Income tax credit for earlier years	(11.74)	-
Income tax expenses	37.57	422.36
Deferred tax	-	-
Total Income tax Expenses	**37.57**	**422.36**

Particulars	31 Mar 2017	31 Mar 2016
Profit/ (Loss) from the operation before income tax expenditure	82.72	1,138.52
Applicable Income tax rate	33.06%	33.99%
Tax effect of amount which are not deductible in calculating taxable income:	27.35	386.98
Effect of expenses not allowed for tax purpose	36.01	35.89
Effect of income not considered for tax purpose	14.04	0.51
Income tax Expenses charged to Profit or Loss	**49.31**	**422.36**

26.9 **Employee Benefits**

a) Defined Benefit Plan

(Amounts in Rs)

Gratuity	31 Mar 2017	31 Mar 2016
Gratuity Plan:		
Defined benefit obligation (DBO)	(19,19,495)	(21,84,049)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/(liability)	**(19,19,495)**	**(21,84,049)**

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss/ Other Comprehensive Income and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March 2017

Particulars	2016-17	2015-16
Current Service Cost	2,84,589	4,36,736
Net Interest Cost	1,70,355	1,98,424
Total	**4,54,944**	**6,35,160**

Amount recognized in Other Comprehensive Income for the year ended 31st March 2017

Particulars	2016-17	2015-16
Actuarial (gain)/ loss on obligations	(7,19,498)	(9,95,016)

Changes in the present value of the defined benefit obligation for the year ended 31st March, 2017 are as follows:

Particulars	2016-17	2015-16
Opening defined obligation	21,84,049	25,43,905
Current service cost	2,84,589	4,36,736
Interest cost on the DBO	1,70,355	1,98,424
Actuarial (gain)/ loss - experience		
Actuarial (gain)/ loss - Financial assumptions	(7,19,498)	(9,95,016)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	**19,19,495**	**21,84,049**

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31 Mar 2017	31 Mar 2016
Discount rate (in %)	7.50%	7.80%
Salary Escalation (in %)	7.50%	7.50%

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	31-Mar-16 (Ind AS-19)		31-Mar-17 (Ind AS -19)	
Defined Benefit Obligation (Base)	21,84,049		19,19,495	
(% change compared to base due to sensitivity)	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	23,54,798	20,35,217	20,72,873	17,87,136
Salary Growth Rate (- / + 1%)	18,39,233	25,78,686	15,90,860	22,74,528
Attrition Rate (- / + 1%)	20,33,223	23,20,519	17,76,819	20,47,669
Mortality Rate (- / + 1%)	21,80,663	21,87,429	19,16,687	19,22,291

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 Mar 2017	31 Mar 2016
Within the next 12 months (next annual reporting period)	2,31,368	2,10,335

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (31 March 2016: 10 years).

Compensated Absences

The employees of the group are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The group measures the expected cost of compensated absence as the additional amount that the group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

b) Defined Contribution Plan

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The group recognised Rs. 2.12 Lakhs (Previous Year Rs. 2.62 Lakhs) for provident fund contribution in the statement of profit or loss account.

26.10 **Financial Instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2017 were as follows:

(Rs. in Lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	49.70	-	49.70
Cash and cash equivalents	0.16	-	-	0.16
Bank balance other than cash and cash equivalents	454.06	-	-	454.06
Trade Receivables	1,641.74	-	-	1,641.74
Loans	17,143.78	-	-	17,143.78
Other Financial Assets	1,430.71	-	-	1,430.71
Financial liabilities:				
Borrowings	16,828.38	-	-	16,828.38
Trade Payables	533.78	-	-	533.78
Other Financial Liabilities	522.75	-	-	522.75

The carrying value and fair value of financial instruments by categories as at 31st March 2016 were as follows:

(Rs. in Lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	45.63	-	45.63
Cash and cash equivalents	4.93	-	-	4.93
Bank balance other than cash and cash equivalents	77.90	-	-	77.90
Trade Receivables	252.83	-	-	252.83
Loans	20,179.67	-	-	20,179.67
Other Financial Assets	1,266.20	-	-	1,266.20
Financial liabilities:				
Borrowings	22,848.73	-	-	22,848.73
Trade Payables	65.62	-	-	65.62
Other Financial Liabilities	566.53	-	-	566.53

The carrying value and fair value of financial instruments by categories as at 01st April 2015 were as follows:

(Rs. in Lakhs)

Particulars	Amortised cost	Fair Value through Profit or Loss	Fair Value through Other Comprehensive Income	Total Carrying Value
Financial assets:				
Investments				
Investments in Mutual Funds	-	43.53	-	43.53
Cash and cash equivalents	2.50	-	-	2.50
Bank balance other than cash and cash equivalents	272.63	-	-	272.63
Trade Receivables	-	-	-	-
Loans	19,231.94	-	-	19,231.94
Other Financial Assets	1,237.56	-	-	1,237.56
Financial liabilities:				
Borrowings	20,776.70	-	-	20,776.70
Trade Payables	39.08	-	-	39.08
Other Financial Liabilities	137.20	-	-	137.20

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values.

26.11 **Financial risk management objectives and policies**

The Group's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the group's operations. The group's principal financial assets comprises of investments, loans, cash and bank balance, trade and other receivables.

The group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with fixed interest rates.

Long Term borrowings of the company bear fixed interest rate, thus interest rate risk is limited for the group.

In the case of subsidiaries, they are almost immune to risk of swing in interest rate as the margin between the interest on borrowed capital and the interest on loans given are substantial. Further interest on loans given is fixed irrespective of the interest rates in the market.

b) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group does not undertake transactions denominated in foreign currencies; consequently group activities are not exposed to exchange rate fluctuations.

c) **Equity price risk**

The equity price risk is the risk arising from uncertainties about future values of the investment securities. The Group does not have exposure to Equity price risk in investment except investments in mutual funds which are subject to minimal risk.

ii) **Credit risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

Financial services business has a comprehensive framework for monitoring credit quality of its film production based on the status of the film production. Repayment by film producers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

The Group applies the simplified approach for providing expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all loans & advances. The group has computed expected credit losses based on the current information of the borrowers and status of the film production.

The Group has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The nature of collateral security is in the form of personal guarantee of the borrowers. Further this personal guarantee is backed up with the list of immovable properties held by the borrower with the original title deeds.

The maximum exposure to credit risk of loans and advances is their carrying amount. The maximum exposure is before considering both the effect of mitigation through collateral security.

There have been no material impairments to trade or other receivables in the two years included within these financial statements and no indication of enhanced customer credit risk.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

iii) **Liquidity risk**

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The management is responsible for liquidity, funding as well as settlement management. The Group manages the liquidity and fund requirements for its operations through borrowings. Further, certain interest bearing liabilities carry different interest rates.

The table below provides details regarding the contractual maturities of Financial Liabilities:

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March 2017					
Borrowings	-	13,228.26	3,600.12	-	**16,828.38**
Trade payables	-	533.78	-	-	**533.78**
Interest accrued	-	497.08	-	-	**497.08**
Other Financial Liabilities	-	25.67	-	-	**25.67**
Total	**-**	**14,284.79**	**3,600.12**	**-**	**17,884.91**

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March 2016					
Borrowings	-	19,353.38	3,495.35	-	**22,848.73**
Trade payables	-	65.62	-	-	**65.62**
Interest accrued	-	541.54	-	-	**541.54**
Other Financial Liabilities	-	24.98	-	-	**24.98**
Total	**-**	**19,985.52**	**3,495.35**	**-**	**23,480.87**

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
As at 01 April 2015					
Borrowings	-	16,121.44	4,655.26	-	**20,776.70**
Trade payables	-	39.08	-	-	**39.08**
Interest accrued	-	119.14	-	-	**119.14**
Other Financial Liabilities	-	18.05	-	-	**18.05**
Total	**-**	**16,297.71**	**4,655.26**	**-**	**20,952.97**

26.12 **Security details and terms of repayment to the Non Current Borrowings**

Non Current Borrowings - Term Loan

The Group has availed an Indian rupee term loan from a company which is repayable based on the availability of funds and interest rate charged is 12% p.a on daily average funds. Borrowings are secured by way of charge on the advances to film production/ finance.

26.13 **Security details and terms of repayment to the Current Borrowings**

Current Borrowings - From Banks

The Group has availed Indian rupee term loan from Central Bank of India which is repayable within 18 months from the date of disbursement or before release of the film whichever is earlier and interest rate charged is 14.20% p.a. The loan was secured by first charge on all tangible assets, present and future of the all the films to be financed and Collateral Security of land given by promoters. Personal/ Corporate Guarantee has been provided by Mr. Prasad V. Potluri, Managing Director, Mrs. Jhansi Surredi and M/s PVP Ventures Limited.

As on 31st March 2017, the Group is overdue for a period of four months in repayment of dues to bank, amounting to Rs. 15 Crores, which were repaid subsequently on 03rd April 2017.

The Group has availed Indian rupee term loan from Canara Bank amounting to Rs.100 Crores and interest rate charged is base rate + 4.50%. Loan is secured by a charge on the loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to Group Companies and personal guarantee of Mr. Prasad V Potluri and Smt Jhansi Sureddi.

Current Borrowings - From companies

The Group has availed a loan from companies which are repayable on demand and interest rate charged by these companies varies from 12% to 18% p.a. These borrowings are secured by way of charge on the advances to film production/finance.

26.14 **Cenvat Credit of Service Tax**

Based on the industry practice, group has availed the entire Cenvat Credit on input services available during the Financial Year 2016-17, as against proportionate Cenvat Credit availed as per the provisions of the Cenvat Credit Rules 2004 in the previous financial year.

26.15 Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs Nil (Rs.Nil in the previous year 2015-16).

26.16 **Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Group monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

(Rs. in Lakhs)

Particulars	As at 31 Mar 2017	As at 31 Mar 2016	As at 1 Apr 2015
Long Term Borrowings	3,600.12	3,495.35	4,655.26
Cash & Cash Equivalents	(0.16)	(4.93)	(2.50)
Bank Balances other than Cash & Cash Equivalents	(454.06)	(77.90)	(272.63)
Investments in Mutual Funds	-	-	(700.00)
Net Debt	**3,145.90**	**3,412.52**	**3,673.72**
Equity Share Capital	5,225.00	5,225.00	5,225.00
Other Equity	761.54	1,926.48	2,860.38
Total Equity	**5,986.54**	**7,151.48**	**8,085.38**
Debt Equity Ratio	**0.5255**	**0.4772**	**0.4544**

No changes were made in the objectives, policies or processes during the year ended 31st March 2017.

26.17 **Financial information pursuant to Schedule III of Companies Act, 2013**

(Amount in Lakhs)

Name of the Entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As at 31 Mar 2017		Year ended 31 Mar 2017		Year ended 31 Mar 2017		Year ended 31 Mar 2017	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated OCI	Amount	As % of Consolidated TCI	Amount
Holding Company								
Picturehouse Media Limited	52.06%	3,116.82	102.46%	(1,198.12)	(68.43%)	(3.08)	103.12%	(1,201.21)
Indian Subsidiaries								
PVP Capital Limited	47.54%	2,846.21	(2.86%)	33.41	168.43%	7.59	(3.52%)	41.00
PVP Cinema Private Limited	0.35%	21.07	0.07%	(0.87)	-	-	0.07%	(0.87)
Foreign Subsidiaries								
Picturehouse Media Limited Singapore	0.04%	2.47	0.33%	(3.83)	-	-	0.33%	(3.83)
Non Controlling Interest	-	-	-	-	-	-	-	-
Total	**100%**	**5,986.56**	**100%**	**(1,169.41)**	**100%**	**4.51**	**100%**	**(1,164.90)**

(Amount in Lakhs)

Name of the Entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As at 31 Mar 2016		Year ended 31 Mar 2016		Year ended 31 Mar 2016		Year ended 31 Mar 2016	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated OCI	Amount	As % of Consolidated TCI	Amount
Holding Company								
Picturehouse Media Limited	61.09%	4,368.99	175.10%	(1,656.83)	99.87%	11.94	176.06%	(1,644.89)
Indian Subsidiaries								
PVP Capital Limited	38.52%	2,755.08	(75.69%)	716.17	0.13%	0.02	(76.66%)	716.18
PVP Cinema Private Limited	0.29%	21.07	0.08%	(0.78)	0.00%	-	0.08%	(0.78)
Foreign Subsidiaries								
Picturehouse Media Limited Singapore	0.09%	6.32	0.50%	(4.78)	0.00%	-	0.51%	(4.78)
Non Controlling Interest	-	-	-	-	-	-	-	-
Total	**100%**	**7,151.46**	**100%**	**(946.22)**	**100%**	**11.96**	**100%**	**(934.26)**

26.18 **Disclosure on Specified Bank Notes**

The Group had Specified Bank Notes or other denomination note as defined in the MCA Notification G.S.R.308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per notification is given below: (Amount in Rs.)

Particulars	SBNs*	Other Denomination	Total
Closing cash in hand as on 08th November 2016	Nil	34,111	34,111
(+) Permitted Receipts	Nil	2,60,000	2,60,000
(-) Permitted Payments	Nil	(2,44,573)	(2,44,573)
(-) Amount deposited in Banks	Nil	-	-
Closing cash in hand as on 30th December 2016	Nil	49,538	49,538

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November, 2016.

26.19 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 Brahmayya & Co
Chartered Accountants
Firm Reg.No. 000511S

Sd/-
K JITENDRA KUMAR
Partner
Membership No. 201825

Place : Chennai
Date : 30th May 2017

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Chairman & Managing Director

Sd/-
R NAGARAJAN
Director

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

Sd/-
MONA RAJORA
Company Secretary

Place : Chennai
Date : 30th May 2017

PICTUREHOUSE MEDIA LIMITED

Regd. Office: KRM Centre, 9th Floor, Door No.2, Harrington Road, Chetpet, Chennai – 600031

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 – 600031

Name of the Member(s): ....

Registered Address: ....

E-mail id: ....

Folio No./Client Id: .... DP ID: ....

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

1. Name: ____
   Address: ____
   Email Id: __________________________ Signature:______________ or failing him/her.

1. Name: ____
   Address: ____
   Email Id: __________________________ Signature:______________ or failing him/her.

1. 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 18th Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 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, 2017		
2	To ratify appointment of M/s. Brahmayya & Co. as Statutory Auditors		
Special Business:			
3	To re-appoint Mr. Prasad V. Potluri as Managing Director of the Company		

Signed this...day of 2017

Signature of Shareholder...

Signature of Proxy holder(s)..

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

Notes:

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: L92191TN2000PLC044077

Regd. Office: KRM Centre, 9th Floor, Door No.2, Harrington Road, Chetpet, Chennai – 600031

ATTENDANCE SLIP

I hereby record my presence at the 18th Annual General Meeting of the company being held on Thursday, September 28, 2017 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.

PICTUREHOUSE MEDIA LIMITED

KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai – 600031

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Website: www.pvpcinema.com