

## Independent Auditor's Report

To the Members of PVP Cinema Private Limited.

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of PVP Cinema Private Limited ('the Company'), which comprise the Balance sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred as "Ind AS financial statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these 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) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and



auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 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 Ind AS financial statements.

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

#### **Basis for Qualified Opinion**

We draw attention to the Note 8.8 in Ind AS financial statements, with regard to the preparation of Ind AS financial statements on going concern. No operational income for the year, dependence on the financial and administrative support from holding company and other related factors indicate that existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern.

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the mater described in the Basis for Qualified Opinion paragraph, the aforesaid 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 31 March 2017 and its Loss and its cash flows for the year ended on that date.





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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 as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – Refer Note No. 8.7
    - ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holding as well as dealings in Specified



Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 8.9 to the Ind AS financial statements.

for **B. Sujeet & Co.**  
*Chartered Accountants*  
Firm's registration number: 009308S



**B. Sujeet Kumar**  
*Proprietor*  
Membership number: 209547



Hyderabad  
18<sup>th</sup> May, 2017



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2017, we report that:

- (i) There are no Fixed Assets as at the year end. Therefore, the provision of clause 3 (i) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (ii) There are no Inventories as at the year end. Therefore, the provision of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (iii) The Company has not granted loans to holding company, a parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and the provision of clause 3 (iii) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.
- (iv) The Company has not given loans, investments, guarantees and security during the year and the provision of the clause 3(iv) of the Companies (Audit Report) Order, 2016 are not applicable to the Company for the year under audit.
- (v) The Company has not accepted any deposits from the public during the year. Therefore the provision clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (vi) The maintenance of cost records has not prescribed by the Central Government under sub-section (1) of Section 148 of the Act and hence provision of clause 3 (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (vii) (a) The Company is depositing undisputed statutory dues with appropriate authorities, like Provident fund, Employee state insurance, Income tax, sales tax, value added tax, duty of customs, Excise duty, service tax, cess, Wherever applicable. There are no undisputed statutory outstanding dues as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.  
  
(b) There are no dues of income tax, Sales tax, Service tax , Duty of customs, Excise duty, Value added tax, Cess which have not been deposited on account of any dispute, except the income tax demands for the AY 2010-11 amounting to rupees 1,35,97,670/- disputed before ITAT Chennai.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (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 Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3 (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 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. Accordingly, paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (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. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

for **B. Sujeet & Co.**

*Chartered Accountants*

Firm's registration number: 009308S

  
**B. Sujeet Kumar**

*Proprietor*

Membership number: 209547







Hyderabad

18<sup>th</sup> May, 2017



**PVP CINEMA PRIVATE LIMITED**  
Corporate Identification Number: U51420TN2004PTC054088  
Balance Sheet as at March 31, 2017

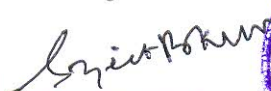
	Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016	As at April 1, 2015
	<b>ASSETS</b>				
(1)	<b>Non Current Assets</b>				
	(a) Property, Plant and Equipment		-	-	-
	(b) Capital work-in-progress		-	-	-
	(c) Financial Assets				
	(i) Investments		-	-	-
	(ii) Trade receivables		-	-	-
	<b>Total Financial Asset</b>		-	-	-
	(d) Other non current assets		-	-	-
	<b>Total Non Current Assets</b>		-	-	-
(2)	<b>Current assets</b>				
	(a) Inventories		-	-	-
	(b) Financial Assets				
	(i) Investments		-	-	-
	(ii) Trade receivables		-	-	-
	(iii) Cash and cash equivalents	2	169,871	170,066	181,361
	<b>Total Financial Asset</b>		169,871	170,066	181,361
	(c) Other current assets	3	2,000,000	2,000,000	2,000,000
	<b>Total Current Assets</b>		2,169,871	2,170,066	2,181,361
(3)	<b>Non current assets classified as held for sale</b>		-	-	-
	<b>Total Assets</b>		<b>2,169,871</b>	<b>2,170,066</b>	<b>2,181,361</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
	(a) Equity Share Capital	4	300,000	300,000	300,000
	(b) Other Equity		1,806,621	1,806,816	1,820,181
	<b>Total Equity</b>		2,106,621	2,106,816	2,120,181
	<b>LIABILITIES</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(ii) Trade payables		-	-	-
	(iii) Other financial liabilities		-	-	-
	<b>Total Financial Liabilities</b>		-	-	-
	(b) Other non current liabilities		-	-	-
	<b>Total Non Current Liabilities</b>		-	-	-
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		-	-	-
	(ii) Trade payables	5	58,250	58,250	56,180
	(iii) Other financial liabilities		-	-	-
	<b>Total Financial Liabilities</b>		58,250	58,250	56,180
	(b) Other current liabilities	6	5,000	5,000	5,000
	<b>Total Current Liabilities</b>		63,250	63,250	61,180
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-	-
	<b>Total Equity and Liabilities</b>		<b>2,169,871</b>	<b>2,170,066</b>	<b>2,181,361</b>
	<b>Significant Accounting Policies</b>	1			
	The accompanying notes form an integral part of the financial statements As per our report of even date attached.				
	For M/s. B. SUJEET & CO., CHARTERED ACCOUNTANTS Firm Registration No. 0093085		For and on behalf of the Board of Directors		
	 <b>B. SUJEET KUMAR</b> Proprietor Membership No. 209547		 <b>R. Ramaswamy</b> Director DIN - 07737350	 <b>Jhansi Sureddi</b> Director DIN - 01113261	
	Place: Hyderabad Date: 18th May, 2017				

**PVP CINEMA PRIVATE LIMITED**  
Corporate Identification Number: U51420TN2004PTC054088  
Statement of Profit and Loss for the Year ended March 31, 2017

	Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations		-	-
II	Other Income		-	-
III	<b>Total Income (I + II)</b>		-	-
IV	<b>Expenses</b>			
	Employee Benefit Expense and Payment to Contractors			
	Finance Costs			
	Depreciation and Amortisation			
	Other Operating and General Expenses	7	87,295	77,614
	<b>Total expenses (IV)</b>		87,295	77,614
V	<b>Profit Before Tax and Exception items (III - IV)</b>		(87,295)	(77,614)
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/ (Loss) Before Tax (V - VI)</b>		(87,295)	(77,614)
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		-	-
	<b>Total</b>		-	-
IX	<b>Profit for the year after tax (VII - VIII)</b>		(87,295)	(77,614)
X	<b>Other Comprehensive income, net of tax</b>			
	<b>(A) Items that will not be reclassified subsequently to profit and loss</b>			
	Measurement of Loan		-	-
	Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
	Less :-income tax expense		-	-
	<b>(B) Items that will be reclassified subsequently to profit and loss</b>			
	Currency translation difference (net)		-	-
			-	-
	<b>Other Comprehensive income for the year, net of tax</b>		-	-
XI	<b>Total Comprehensive Income for the year (IX - X)</b>		(87,295)	(77,614)
XII	<b>Earnings Per Share</b>	8		
	Basic and Diluted - (Rs.)		(2.91)	(2.59)
	Face Value per Ordinary share - (Rs.)		10.00	10.00

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our report of even date attached.


For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 009308S

  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



For and on behalf of the Board of Directors

  
R. Ramaswamy  
Director  
DIN - 07737350

  
Jhansi Sureddi  
Director  
DIN - 01113261

Place: Hyderabad  
Date: 18th May, 2017



**PVP CINEMA PRIVATE LIMITED**  
 Corporate Identification Number: U51420TN2004PTC054088  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

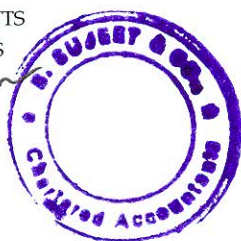
Particulars	31-03-2017 Rs.	31-03-2016 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before taxation	(87,295)	(77,614)
Adjustments for operating activities :		
Depreciation	-	-
Operating Profit before Working Capital Changes	(87,295)	(77,614)
Adjustments for :		
(Increase)/Decrease in Other Current Assets	-	-
(Increase)/Decrease in Loans and Advances	-	-
Increase/(Decrease) in Current Liabilities & Trade Payable	-	2,070
Cash generated from operations	(87,295)	(75,544)
Income taxes paid		
Net Cash from / (used in) Operating Activities (A)	(87,295)	(75,544)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Net cash from / (used in) investing activities (B)	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Equity component of Holding Company	87,100	64,250
Net cash from financing activities (C)	87,100	64,250
Net Increase in Cash and Cash Equivalents (A+B+C)	(195)	(11,295)
Cash and cash equivalents at the beginning of the year	170,066	181,361
Cash and cash equivalents at the end of the year	169,871	170,066
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	-
Balances with Banks		
-On Current Accounts	169,871	170,066
-On Deposit Accounts		
Cash and cash Equivalent (as per Note 2)	169,871	170,066

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

As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. 009308S

*B. Sujeeet Kumar*  
**B. SUJEET KUMAR**  
 Proprietor  
 Membership No. 209547



For and on behalf of the Board of Directors

*R. Ramaswamy*  
**R. Ramaswamy**  
 Director  
 DIN - 07737350

*Jhansi Sureddi*  
**Jhansi Sureddi**  
 Director  
 DIN - 01113261

Place: Hyderabad  
 Date: 18th May, 2017

**NOTE 1: COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Background:** The Company is incorporated in the state of Tamilnadu in 2004. The main objective of the Company is operation of multiplex.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(A) The financial statements of the Company have been prepared in accordance with 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). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption 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 Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note No. 8.

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

(B) The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

**(C) Use of Estimates**

The preparation of financial statements in conformity with the Ind AS requires that the management to make estimates, judgements and assumptions. These estimates, judgements, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the financial statements.





**1.1. Revenue Recognition**

As a consistent practice, the Company recognizes revenue on an accrual basis.

**1.2. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of nature or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.3. Borrowing Cost**

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

**1.4. Taxes on Income**

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

**1.5. Earnings per Share**

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

**1.6. Provisions, Contingent Liabilities and Contingent Assets**

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



**PVP Cinema Private Limited**

**Corporate Identification Number: U51420TN2004PTC054088**

Notes forming part of the financial statements for the year ended March 31, 2017

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flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

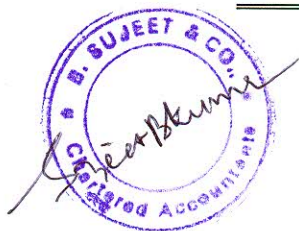
Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow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





**PVP CINEMA PRIVATE LIMITED**  
**Corporate Identification Number: U51420TN2004PTC054088**  
**Notes to Balance Sheet as at March 31, 2017**

Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
<b>Note- 2 Cash and Cash equivalents</b>			
Cash in hand (as certified by management)	-	-	-
Balance with banks in current accounts	169,871	170,066	181,361
	<u>169,871</u>	<u>170,066</u>	<u>181,361</u>
<b>Note- 3 Other Current Assets</b>			
Current			
Others			
Advance Income Tax (Refer Note No. 8.7)	2,000,000	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
<b>Note: 4 Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>			
<b>Authorised Share Capital</b>			
50000 Equity Shares of Rs. 10/- each	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<b>Issued, Subscribed and Paid Up</b>			
30000 Equity Shares of Rs. 10/- each	300,000	300,000	300,000
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:			
Number of equity shares outstanding as at the beginning of the year	30,000	30,000	30,000
Add: Number of Shares allotted during the year	-	-	-
Less: Number of Shares bought back	-	-	-
Number of equity shares outstanding as at the end of the year	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
(C) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates			
Picturehouse Media Limited (and its nominee)	30,000	30,000	30,000
(D) Shares in the company held by each shareholder holding more than 5%:			
Name of shareholder		<b>No of shares at year end</b>	
Picturehouse Media Limited (and its nominee)	30,000	30,000	30,000
	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Name of shareholder		<b>% as at year end</b>	
Picturehouse Media Limited (and its nominee)	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>
<b>Note- 5 Trade Payable</b>			
Current			
Unsecured			
Sundry Creditors for services	58,250	58,250	56,180
	<u>58,250</u>	<u>58,250</u>	<u>56,180</u>
<b>Note- 6 Other Current Liabilities</b>			
Other Payables - TDS Payable	5,000	5,000	5,000
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>



**PVP CINEMA PRIVATE LIMITED**  
Corporate Identification Number: U51420TN2004PTC054088  
Statement of Changes in Equity for the Period ended March 31, 2017

**Statement of changes in equity**

Particulars	Equity Share Capital	Reserves & Surplus					Other Comprehensive Income		Equity Component of Holding Company	Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Business Transfer Adjustment Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income		
Balance as on 01st April 2015	300,000	-	(47,971,918)	-	-	-	-	-	49,792,099	2,120,181
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of Loan	-	-	-	-	-	-	-	-	64,250	64,250
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(77,614)	-	-	-	-	-	-	(77,614)
Balance as on 31st March 2016	300,000	-	(48,049,533)	-	-	-	-	-	49,856,349	2,106,816
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of Loan	-	-	-	-	-	-	-	-	87,100	87,100
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(87,295)	-	-	-	-	-	-	(87,295)
Balance as on 31st March 2017	300,000	-	(48,136,828)	-	-	-	-	-	49,943,449	2,106,621

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

As per our report of even date attached.  
For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085



*B. Sujee Kumar*  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Hyderabad  
Date: 18th May, 2017

For and on behalf of the Board of Directors

*R. Ramaswamy*  
R. Ramaswamy  
Director  
DIN - 07737350

*S. Shanmugam*  
S. Shanmugam  
Director  
DIN - 01113261



**PVP CINEMA PRIVATE LIMITED**  
**Corporate Identification Number: U51420TN2004PTC054088**  
**Notes to the Statement of Profit & Loss Account for the Year Ended March 31, 2017**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note- 7 Other Expenses		
Rates and taxes	1,300	-
Payment to statutory auditors as auditors	57,500	57,250
Legal, professional and consultancy	17,975	16,450
Miscellaneous Expenses	10,520	3,914
	<u>87,295</u>	<u>77,614</u>



## Reconciliation of equity as previously reported under IGAAP in Ind AS

Particulars	Note No.	Opening Balance Sheet as at April 1, 2015		Balance Sheet as at March 31, 2016			
		IGAAP	Effects of transition to Ind-AS	Ind - AS	IGAAP	Effects of transition to Ind-AS	Ind - AS
<b>ASSETS</b>							
<b>Non Current Assets</b>							
(a) Property, Plant and Equipment		-	-	-	-	-	-
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Investment Property		-	-	-	-	-	-
(d) Goodwill		-	-	-	-	-	-
(e) Other Intangible assets		-	-	-	-	-	-
(f) Intangible assets under development		-	-	-	-	-	-
(g) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Service concession receivables		-	-	-	-	-	-
(iv) Loans		-	-	-	-	-	-
(v) Other financial assets		-	-	-	-	-	-
<b>Total Financial Asset</b>		-	-	-	-	-	-
(h) Deferred tax assets (net)		-	-	-	-	-	-
(i) Other non current assets		-	-	-	-	-	-
<b>Total Non Current Assets</b>		-	-	-	-	-	-
<b>Current assets</b>							
(a) Inventories		-	-	-	-	-	-
(b) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Service concession receivables		-	-	-	-	-	-
(iv) Loans		-	-	-	-	-	-
(v) Cash and cash equivalents		181,361	-	181,361	170,066	170,066	170,066
(vi) Bank balances		-	-	-	-	-	-
(vii) Other financial assets		-	-	-	-	-	-
<b>Total Financial Asset</b>		181,361	-	181,361	170,066	170,066	170,066
(c) Current tax assets (Net)		-	-	-	-	-	-
(d) Other current assets		2,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total Current Assets</b>		2,181,361	-	2,181,361	2,170,066	2,170,066	2,170,066
<b>Non current assets classified as held for sale</b>		-	-	-	-	-	-
<b>Total Assets</b>		2,181,361	-	2,181,361	2,170,066	2,170,066	2,170,066







## Reconciliation Statement of Profit and Loss as previously reported under IGAAP in Ind AS

Profit & Loss Account as at March 31, 2016					
Particulars	Note	IGAAP	Effects of transition to Ind-AS	Ind - AS	
<b>Income</b>					
Revenue from Operations		-	-	-	
Other Income		-	-	-	
<b>Total</b>		-	-	-	
<b>Expenses</b>					
Employee Benefit Expense and Payment to Contractors				-	
Finance Costs				-	
Depreciation and Amortisation				-	
Other Operating and General Expenses		77,614		77,614	
<b>Total</b>		77,614	-	77,614	
<b>Profit Before Tax and Exception items</b>		(77,614)		(77,614)	
Exceptional Items		-	-	-	
<b>Profit/ (Loss) Before Tax</b>		(77,614)	-	(77,614)	
<b>Tax Expenses</b>					
Current Tax				-	
Deferred Tax		-		-	
Minimum Alternative Tax Credit		-		-	
Tax relating to earlier years		-		-	
<b>Total</b>		-	-	-	
<b>Profit for the year after tax</b>		(77,614)	-	(77,614)	
<b>Other Comprehensive income, net of tax</b>					
<b>Items that will not be reclassified subsequently to profit and loss</b>					
Remeasurement of defined benefit obligation		-		-	
		-	-	-	
<b>Items that will be reclassified subsequently to profit and loss</b>					
Currency translation difference (net)		-		-	
		-	-	-	
<b>Other Comprehensive income for the year, net of tax</b>		-	-	-	
<b>Total Comprehensive Income for the year</b>		(77,614)	-	(77,614)	
<b>Earnings Per Share</b>					
Basic and Diluted - (Rs. )		(2.59)		(2.59)	
Face Value per Ordinary share - (Rs. )		10.00		10.00	

The accompanying notes form an integral part of the Financial Statements





**NOTE 8: OTHER ITEMS**

**8.1 First-time adoption of Ind-AS**

These financial statements of PVP Cinema Limited for the year ended 31s March, 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note No.1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss is enclosed with the financials. Exemption on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 8.2

**8.2 Exemptions availed on first time adoption of Ind AS 101**

Ind AS 101 allows first time adopters certain exemption from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemption

**Designation of previously recognized financial instruments**

Under Ind AS 109, at initial recognition of a financial liability, an entity may make an irrevocable election to present subsequent changes in the fair value of loans liability in group companies in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial liabilities as 'FOVCI' on the basis of facts and circumstances that existed at the date of transition to Ind AS. In view of the above, Borrowings from holding company and other group companies with no specific repayment period and carrying nil rate of interest has been considered as Other Equity.

**8.3 Deferred Tax**

In view of virtual certainty of set off not being there, the Company has not recognized deferred tax asset on carry forward losses on the grounds of prudence.

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



**8.5 Earnings per Share:**

Particulars	Ref	Year ended March 31, 2017	Year ended March 31, 2016
Profit/ (Loss) after Tax (in Rs.)	A	(87,295)	(77,615)
Number of shares outstanding	B	30,000	30,000
Earnings per share - Basic & Diluted (Rs.)	A/B	(2.91)	(2.59)

**8.6 Related party Disclosures:**

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

Names of the Related party	Relationship
Picturehouse Media Limited (PML)	Holding Company
PVP Ventures Limited (PVP)	Ultimate Holding Company w.e.f 14/08/2015.

Transactions with the above Related Parties are as follows:

Nature of transactions	(In Rs.)			
	Transactions for the year ended		Balance as at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Loan taken/(repaid) from Picturehouse Media Limited	82,700	64,250	4,99,39,049	498,56,349

**8.7 Contingent Liabilities**

The Income tax assessment for the AY 2009-10 has been completed. The ITAT, Chennai has set aside the order of Assessing Officer (AO) to redo the Assessment which was completed by the AO on 25/03/2016 with the demand of Rs. 1,35,97,670/-. The said order has been disputed before CIT (A). The ITAT has directed to pay a sum of Rs. 20 lakhs pending dispute during the FY 2014-15, which was paid and shown under "Other Current Assets". Considering the chances of success, the Provision for Income Tax not provided for.

8.8 The Company has accumulated losses and its net worth is fully eroded. The Company is not undertaking any business, has incurred loss continuously for last few years and the Company's current liabilities exceeded its current asset as at the balance sheet date and the ability of the Company to continue as a going concern depends on support from its Holding Company and other group companies.





**PVP Cinema Private Limited**  
**Corporate Identification Number: U51420TN2004PTC054088**  
Notes forming part of the financial statements for the year ended March 31, 2017

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**8.9 Specified notes disclosure:**

	SBNs	Other denomination notes	Total (Rs)
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

8.10 Previous year's figures have been re-grouped wherever necessary to conform to the current period's classification.

8.11 Explanatory notes 1 to 8 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per report of our even date  
For M/s. BSUJEET & CO  
Chartered Accountants  
Firm Reg.No.0093028


**B. Sujeet Kumar**  
(Proprietor)  
M. No : 209547  
Place: Hyderabad  
Date: 18<sup>th</sup> May, 2017

For and on behalf of the Board of Directors

  
**R. Ramaswamy**  
(Director)  
DIN: 07737350

  
**Jhansi Sureddi**  
(Director)  
DIN: 01113261