

## 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 31<sup>st</sup> 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-realisation 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 31<sup>st</sup> March 2016 and the transition date opening balance sheet as at 01<sup>st</sup> 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 29<sup>th</sup> 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 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 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



Place : Chennai  
Date : 30<sup>th</sup> May 2017

*K. Jitendra Kumar*

**K.Jitendra Kumar**  
Partner  
Membership No.201825



**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)

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

- (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 31<sup>st</sup> 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 03<sup>rd</sup> 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 45-1A of the Reserve Bank of India Act 1934.

Place: Chennai  
Date: 30<sup>th</sup> May 2017



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

**K. Jitendra Kumar**  
Partner  
Membership No.201825

**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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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's Regn. No: 0000511S



*K. Jitendra Kumar*

**K. Jitendra Kumar**  
Partner  
Membership No. 201825

Place: Chennai  
Date : 30<sup>th</sup> May 2017



PICTUREHOUSE MEDIA LIMITED  
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 April 1, 2015
I	<b>ASSETS</b>				
(1)	<b>Non Current Assets</b>				
	(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
	<b>Total Financial Asset</b>		<b>2,586.33</b>	<b>2,607.88</b>	<b>2,599.28</b>
	(c) Deferred tax assets (net)		-	-	-
	(d) Other non current assets	13	299.78	236.82	180.77
	<b>Total Non Current Assets</b>		<b>3,011.03</b>	<b>3,029.73</b>	<b>3,006.17</b>
(2)	<b>Current assets</b>				
	(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
	<b>Total Financial Asset</b>		<b>10,274.90</b>	<b>13,178.68</b>	<b>11,221.06</b>
	(c) Other current assets	13	0.81	2.48	3.08
	<b>Total Current Assets</b>		<b>10,275.71</b>	<b>13,181.16</b>	<b>11,224.14</b>
(3)	<b>Non current assets classified as held for sale</b>		-	-	-
	<b>Total Assets</b>		<b>13,286.74</b>	<b>16,210.89</b>	<b>14,230.31</b>
II	<b>EQUITY AND LIABILITIES</b>				
A	<b>EQUITY</b>				
	(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
	<b>Total Equity</b>		<b>3,415.75</b>	<b>4,617.85</b>	<b>6,263.38</b>
B	<b>LIABILITIES</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	3,600.12	3,495.35	4,655.26
	<b>Total Financial Liabilities</b>		<b>3,600.12</b>	<b>3,495.35</b>	<b>4,655.26</b>
	(b) Provisions	18	11.95	10.45	19.17
	(c) Deferred tax liabilities (Net)		-	-	-
	<b>Total Non Current Liabilities</b>		<b>3,612.07</b>	<b>3,505.80</b>	<b>4,674.43</b>
(2)	<b>Current Liabilities</b>				
	(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
	<b>Total Financial Liabilities</b>		<b>4,912.43</b>	<b>7,707.55</b>	<b>3,177.58</b>
	(b) Other current liabilities	19	1,335.77	333.96	93.23
	(c) Provisions	18	10.72	45.73	21.69
	<b>Total Current Liabilities</b>		<b>6,258.92</b>	<b>8,087.24</b>	<b>3,292.50</b>
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-	-
	<b>Total Equity and Liabilities</b>		<b>13,286.74</b>	<b>16,210.89</b>	<b>14,230.31</b>

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. 0005115

For and on behalf of the Board of Directors

K.JITENDRA KUMAR  
Partner  
Membership No. 201825



PRASAD V. POTLURI  
Managing Director

A.PRAVEEN KUMAR  
GM - Finance & Accounts

R. NAGARAJAN  
Director

MONA RAJORA  
Company Secretary

Place : Chennai  
Date : May 30, 2017

Place : Chennai  
Date : May 30, 2017

PICTUREHOUSE MEDIA LIMITED  
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. 0005115



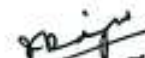
K. JITENDRA KUMAR  
Partner  
Membership No. 201825



For and on behalf of the Board of Directors



PRASAD V. POTLURI  
Managing Director



R. NAGARAJAN  
Director

  
A. PRAVEEN KUMAR  
GM - Finance & Accounts

  
MONA RAJORA  
Company Secretary

Place : Chennai  
Date : May 30, 2017

Place : Chennai  
Date : May 30, 2017



PICTUREHOUSE MEDIA LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Lakhs)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
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
<b>Cash Generated Before Working Capital Changes</b>	<b>-393.91</b>	<b>-565.38</b>
<b>Movement in Working Capital</b>		
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	240.74
(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
<b>Cash Generated From Operations</b>	<b>3,900.94</b>	<b>-2,477.15</b>
Direct Taxes Paid	-	-
<b>Net Cash Flow From / (Used in) Operating Activities</b>	<b>3,900.94</b>	<b>-2,477.15</b>
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
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
<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>8.35</b>	<b>-7.01</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
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
<b>Net Cash Flow From / (Used in) Financing Activities</b>	<b>-3,953.38</b>	<b>2,340.41</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-44.09</b>	<b>-143.74</b>
Cash and Cash Equivalents at the beginning of the year	71.25	214.98
Cash and Cash Equivalents at the end of the year	<b>27.16</b>	<b>71.24</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in Hand	0.16	4.93
Balances with Banks		
-In Current Accounts & Deposit Accounts	27.00	66.32
-In Deposit Accounts	-	-
<b>Cash and cash Equivalent (As per Note 11)</b>	<b>27.16</b>	<b>71.25</b>

**Notes:**

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

**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. 0005115



K. JITENDRA KUMAR

Partner

Membership No. 201825

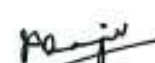


For and on behalf of the Board of Directors



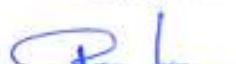
PRASAD V. POTLURI

Managing Director



R. NAGARAJAN

Director



A. PRAVEEN KUMAR

GM - Finance & Accounts



MONA RAJORA

Company Secretary

Place : Chennai

Date : May 30, 2017

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	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. 0005115

K.JITENDRA KUMAR  
Partner  
Membership No. 201825



Place : Chennai  
Date : 30th May 2017

For and on behalf of the Board of Directors

PRASAD V. POTLURI  
Managing Director

R. NAGARAJAN  
Director

A.PRAVEEN KUMAR  
GM - Finance & Accounts

MONA RAJORA  
Company Secretary



**PICTUREHOUSE MEDIA LIMITED**  
Notes to Standalone Financial Statements for the year ended 31st March 2017

**Note No 6 : PROPERTY, PLANT & EQUIPMENT**

Particulars	Plant & Machinery	Computers & Related Assets	Furniture & Fixtures	Vehicles	Office Equipments	(Rs in Lakhs)	
						Total	
<b>Gross Block</b>							
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
<b>Depreciation</b>							
For the period 2015-16							
Charges for the period on disposals	0.38	10.86	3.41	23.71	22.69		61.05
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 on Disposals	0.38	2.30	3.42	23.09	21.57		50.76
As at 31st March 2017	0.38	2.30	3.42	(6.46)	(0.09)		(6.55)
<b>Net Block</b>							
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 No	Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Note - 7	<b>FINANCIAL ASSETS</b>			
	Investments			
	Non Current Investments			
	<u>Investment carried at deemed cost, fully paid up</u>			
	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 @ 15 each	2.45	2.45	2.45
		<b>2,527.19</b>	<b>2,527.19</b>	<b>2,527.19</b>
	<u>Investments carried at Fair value through Profit or Loss</u>			
	b) Investment in Mutual Fund			
	Investment in Canara Robeco Mutual Funds - (NAV Rs.49,70,266)	49.70	45.63	43.53
		<b>2,576.89</b>	<b>2,572.82</b>	<b>2,570.72</b>
	Less: Provision for diminution in value of Investment	(3.00)	(3.00)	(3.00)
Note - 8		<b>2,573.89</b>	<b>2,569.82</b>	<b>2,567.72</b>
	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)
		<b>2,573.89</b>	<b>2,569.82</b>	<b>2,567.72</b>
	<b>C) Other Investments</b>			
	Less: Provision for Diminution in the value of Investment	499.43	498.56	497.92
		<b>499.43</b>	<b>498.56</b>	<b>497.92</b>
		-	-	-
	<b>LOANS</b>			
	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
Note - 9		<b>2,245.50</b>	<b>1,978.38</b>	<b>2,084.38</b>
	Total Loans	<b>2,245.50</b>	<b>1,978.38</b>	<b>2,084.38</b>
	<b>TRADE RECEIVABLES</b>			
	Current			
Note - 10	Unsecured - Considered Good	1,639.09	250.15	-
	Total Trade Receivables	<b>1,639.09</b>	<b>250.15</b>	<b>-</b>
	<b>OTHER FINANCIAL ASSETS</b>			
	Non Current			
Note - 11	Security Deposits - Considered Good	12.44	38.06	31.56
		<b>12.44</b>	<b>38.06</b>	<b>31.56</b>
	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
		<b>1,418.27</b>	<b>1,228.14</b>	<b>1,204.44</b>
	Total Other Financial Assets	<b>1,430.71</b>	<b>1,266.20</b>	<b>1,236.00</b>
	<b>CASH &amp; CASH EQUIVALENTS</b>			
	Balance with banks			
	In Current Accounts	27.00	66.32	212.51
	Cash on hand	0.16	4.93	2.47
		<b>27.16</b>	<b>71.25</b>	<b>214.98</b>





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

(Rs in Lakhs)

Note No	Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Note - 12	<b>INVENTORIES</b>			
	Film Production Expenses	4,944.88	9,650.76	7,717.26
	(Valued at lower of cost or net realisable value - as certified by management)			
		4,944.88	9,650.76	7,717.26
Note - 13	<b>OTHER ASSETS</b>			
	<b>Non Current</b>			
	Others			
	TDS Receivable (Net off Taxes)	299.78	236.82	180.77
		299.78	236.82	180.77
	<b>Current</b>			
	Others			
	Service Tax Input	-	0.20	-
	Prepaid Expenses	0.80	2.28	3.08
		0.80	2.48	3.08
	<b>Total Other Assets</b>	<b>300.58</b>	<b>239.30</b>	<b>183.85</b>



**Note - 14 EQUITY SHARE CAPITAL**

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

Particulars	(Rs in Lakhs)		
	As at 31st March 2017	As at 31st March 2016	As at 01st April 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	% held	Number of	% held	Number of	% held
PVP Ventures Limited	33,53,114	6.42%	33,53,114	6.42%	33,53,114	6.42%
Jhansi Sureddi	1,17,57,249	22.50%	1,17,57,249	22.50%	1,17,57,249	22.50%
Rayudu Media Projects Private Limited	45,06,490	8.62%	45,06,490	8.62%	45,06,490	8.62%
PVP Global Ventures Private Limited	1,12,36,641	21.50%	1,12,36,641	21.50%	31,36,641	6.00%
PVP Media Ventures Private Limited	1,22,99,650	23.54%	1,22,99,650	23.54%	1,22,99,650	23.54%
Bloomfield Power Projects Private Limited	-	0.00%	-	0.00%	81,00,000	15.50%
<b>Total</b>	<b>4,31,53,144</b>	<b>82.58%</b>	<b>4,31,53,144</b>	<b>82.58%</b>	<b>4,31,53,144</b>	<b>82.58%</b>

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

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	5,22,50,000	52,25,00,000	5,22,50,000	52,25,00,000	5,22,50,000	52,25,00,000
Add: Number of Shares allotted during the year	-	-	-	-	-	-
Less: Number of Shares bought back	-	-	-	-	-	-
<b>Number of equity shares outstanding at the end of the year</b>	<b>5,22,50,000</b>	<b>52,25,00,000</b>	<b>5,22,50,000</b>	<b>52,25,00,000</b>	<b>5,22,50,000</b>	<b>52,25,00,000</b>

(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).





**PICTUREHOUSE MEDIA LIMITED**

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

(Rs in Lakhs)

Note No	Particulars	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Note-15	<b>FINANCIAL LIABILITIES</b>			
	<b>Borrowings</b>			
	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
	<b>Total Borrowings</b>	<b>7,463.25</b>	<b>10,585.30</b>	<b>7,661.82</b>
	Refer Note No: 25.12 for security details and terms of repayment.			
Note-16	<b>TRADE PAYABLES</b>			
	Current			
	Sundry Creditors for services	527.92	57.45	33.87
Note-17		527.92	57.45	33.87
	<b>OTHER FINANCIAL LIABILITIES</b>			
	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
Note-18	<b>Total Other Financial Liabilities</b>	<b>521.38</b>	<b>560.15</b>	<b>137.15</b>
	<b>PROVISIONS:</b>			
	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
Note-19		10.72	45.73	21.69
	<b>Total Provisions</b>	<b>22.67</b>	<b>56.18</b>	<b>40.86</b>
	<b>OTHER LIABILITIES</b>			
	Current			
	Revenue received in advance			
Note-19	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



**PICTUREHOUSE MEDIA LIMITED**

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

(Rs in Lakhs)

Note No	Particulars	For the year ended 31-03-2017	For the year ended 31-03-2016
Note-20	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from distribution and exhibition of film and other rights	9,101.66	9,043.38
	<b>OTHER OPERATING INCOME</b>		
	Income from Movie finance	550.07	464.85
	Commission Income	16.47	-
		<b>9,668.20</b>	<b>9,508.23</b>
Note-21	<b>OTHER INCOME</b>		
	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
		<b>22.55</b>	<b>21.54</b>
Note-22	<b>COST OF FILM PRODUCTION EXPENSES</b>		
	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
		<b>9,782.61</b>	<b>9,175.36</b>
Note-23	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries and wages	104.03	170.05
	Contribution to provident and other funds	2.12	2.62
	Staff welfare expenses	5.83	8.66
		<b>111.98</b>	<b>181.33</b>
Note-24	<b>OTHER EXPENSES</b>		
	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
		<b>253.34</b>	<b>764.03</b>
Note-25	<b>EXCEPTIONAL ITEMS</b>		
	Provision no longer required	84.06	-
		<b>84.06</b>	<b>-</b>





## Picturehouse Media Limited

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

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#### 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 two stock exchanges in India. 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 31<sup>st</sup> March 2017 were authorised for issue in accordance with resolution of the Board of Directors on 30<sup>th</sup> 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 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 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 hitherto 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**.



## Picturehouse Media Limited

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

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#### 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.





## Picturehouse Media Limited

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

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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:

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
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



## Picturehouse Media Limited

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

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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





Picturehouse Media Limited

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

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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.



## Picturehouse Media Limited

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

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#### 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 it 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.





## Picturehouse Media Limited

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

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**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.





## Picturehouse Media Limited

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

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#### 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.





## Picturehouse Media Limited

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

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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.





## Picturehouse Media Limited

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

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- **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.



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

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**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 31<sup>st</sup> 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 01<sup>st</sup> 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 31<sup>st</sup> 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 01<sup>st</sup> April 2015 and 31<sup>st</sup> March 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.



Picturehouse Media Limited

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

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- 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.

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
<b>Assets:</b>							
<b>Non-Current Assets</b>							
Property, Plant and Equipment		185.03	-	185.03	226.12	-	226.12
<b>Financial Assets</b>							
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
<b>Total Non Current Assets</b>		<b>3,027.10</b>	<b>2.63</b>	<b>3,029.73</b>	<b>3,005.64</b>	<b>0.53</b>	<b>3,006.17</b>
<b>Current Assets</b>							
Inventories		9,650.76	-	9,650.76	7,717.26		7,717.26
<b>Financial Assets</b>							
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
<b>Total Current Assets</b>		<b>13,181.16</b>	<b>-</b>	<b>13,181.16</b>	<b>11,224.14</b>	<b>-</b>	<b>11,224.14</b>
<b>Total Assets</b>		<b>16,208.26</b>	<b>2.63</b>	<b>16,210.89</b>	<b>14,229.78</b>	<b>0.53</b>	<b>14,230.31</b>
<b>Equity &amp; Liabilities:</b>							
<b>Equity</b>							
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
<b>Total Equity</b>		<b>4,607.00</b>	<b>10.85</b>	<b>4,617.85</b>	<b>6,262.85</b>	<b>0.53</b>	<b>6,263.38</b>
<b>Non-Current Liabilities</b>							
<b>Financials Liabilities</b>							
Borrowings		3,495.35	-	3,495.35	4,655.26	-	4,655.26
Provisions		10.45	-	10.45	19.17	-	19.17
<b>Total Non Current Liabilities</b>		<b>3,505.80</b>	<b>-</b>	<b>3,505.80</b>	<b>4,674.43</b>	<b>-</b>	<b>4,674.43</b>
<b>Current liabilities</b>							
<b>Financial Liabilities</b>							
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
<b>Total Current Liabilities</b>		<b>8,095.47</b>	<b>8.22</b>	<b>8,087.25</b>	<b>3,292.50</b>	<b>-</b>	<b>3,292.50</b>
<b>Total Equity &amp; Liabilities</b>		<b>16,208.26</b>	<b>8.22</b>	<b>16,210.89</b>	<b>14,229.78</b>	<b>0.53</b>	<b>14,230.31</b>



PICTUREHOUSE MEDIA LIMITED

Standalone Ind AS financial Statements for the year ended 31st March 2017

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

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
<b>Total Income (i)</b>		<b>9,527.66</b>	<b>2.11</b>	<b>9,529.77</b>
<b>Expenses</b>				
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
<b>Total Expenses (ii)</b>		<b>11,183.52</b>	<b>20.16</b>	<b>11,187.24</b>
<b>Profit/(loss) before exceptional items (iii)=(i) - (ii)</b>		<b>(1,655.86)</b>	<b>(18.05)</b>	<b>(1,657.47)</b>
Exceptional items (iv)		-	-	-
<b>Profit/(loss) before tax (v)=(iii)+(iv)</b>		<b>(1,655.86)</b>	<b>(18.05)</b>	<b>(1,657.47)</b>
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
(3) Income tax for earlier years		-	-	-
<b>Income tax expense (vi)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period (vii)= (v)-(vi)</b>		<b>(1,655.86)</b>	<b>(18.05)</b>	<b>(1,657.47)</b>
<b>Other Comprehensive Income</b>				
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		-	-	-
<b>Other Comprehensive income, net of tax (viii)</b>		<b>-</b>	<b>11.94</b>	<b>11.94</b>
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (ix) =(vii)+(viii)</b>		<b>(1,655.86)</b>	<b>(6.11)</b>	<b>(1,645.53)</b>





**PICTUREHOUSE MEDIA LIMITED**

Standalone Ind AS financial Statements for the year ended 31st March 2017

**5.2.3. Reconciliation of Total Equity as at 31<sup>st</sup> March 2016 and 01<sup>st</sup> April 2015**

Particulars	Refer Note No	As at 31 <sup>st</sup> March 2016	As at 01 <sup>st</sup> April 2015
Total Equity (Shareholders Fund) under Previous GAAP		4,607.00	6,262.85
<b>Adjustments:</b>			
Gain on Fair Value of Mutual Funds	1	2.63	0.53
Other Adjustments	2	8.22	-
<b>Total Equity under Ind AS</b>		<b>4,617.85</b>	<b>6,263.38</b>

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

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

**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.



## Picturehouse Media Limited

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

#### 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.

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 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

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

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Due within 1 year from the Balance Sheet date	1.54	5.58
Due between 1 and 5 years	Nil	1.54
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 31<sup>st</sup> March 2017. (Rs.10,116.06 Lakhs as of 31<sup>st</sup> March 2016).





## Picturehouse Media Limited

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

#### 26.5 Corporate Social Responsibility (CSR):

(Rs. in Lakhs)

Sl No	Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> 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 )	<b>8.22</b>	<b>8.22</b>

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 March 31, 2017	Year ended March 31, 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)



**Picturehouse Media Limited**

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

**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 06 <sup>th</sup> 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 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 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)





**Picturehouse Media Limited**

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

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 <sup>st</sup> March 2017		31 <sup>st</sup> March 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
<b>Total</b>	<b>2,783.51</b>	<b>920.23</b>	<b>1,644.66</b>	<b>543.72</b>

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



**Picturehouse Media Limited**  
**Summary of significant accounting policies and other explanatory information**  
**to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017**

**Income tax expenses**

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

(Rs. in Lakhs)		
Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Current tax	-	-
Income tax related to earlier years	(11.74)	-
<b>Total Current tax expenses</b>	<b>(11.74)</b>	-
<b>Deferred tax</b>		
Decrease(increase) in deferred tax assets	-	-
(Decrease) Increase in deferred tax liabilities	-	-
<b>Income tax expenses</b>	<b>(11.74)</b>	-

Particulars	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 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	-	-
<b>Income tax expenses</b>	<b>-</b>	<b>-</b>

**26.9 Employee Benefits**

**a) Defined Benefit Plan**

**Gratuity**

**Amounts in Rs**

Gratuity Plan:

Defined benefit obligation (DBO)

31<sup>st</sup> March 2017

31<sup>st</sup> March 2016

(15,03,259)

(13,09,390)

Fair value of plan assets (FVA)

-

-

**Net defined benefit asset/(liability)**

**(15,03,259)**

**(13,09,390)**





**Picturehouse Media Limited**  
**Summary of significant accounting policies and other explanatory information**  
**to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017**

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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
<b>Total</b>	<b>3,33,535</b>	<b>4,23,388</b>

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
<b>Opening defined obligation</b>	<b>13,09,390</b>	<b>20,10,527</b>
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	-	-
<b>Defined benefit obligation</b>	<b>15,03,259</b>	<b>13,09,390</b>



**Picturehouse Media Limited**  
**Summary of significant accounting policies and other explanatory information**  
**to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017**

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

Particulars	31-Mar-17	31-Mar-16
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)	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 <sup>st</sup> March 2017	31 <sup>st</sup> March 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).





## Picturehouse Media Limited

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

#### 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 31<sup>st</sup> 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
<b>Financial assets:</b>				
<b>Investments</b>				
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
<b>Financial liabilities:</b>				
Borrowings	7,463.25	-	-	7,463.25
Trade Payables	527.92	-	-	527.92
Other Financial Liabilities	521.38	-	-	521.38



**Picturehouse Media Limited**

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

The carrying value and fair value of financial instruments by categories as at 31<sup>st</sup> 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
<b>Financial assets:</b>				
<b>Investments</b>				
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
<b>Financial liabilities:</b>				
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 01<sup>st</sup> 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
<b>Financial assets:</b>				
<b>Investments</b>				
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
<b>Financial liabilities:</b>				
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.





## Picturehouse Media Limited

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

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#### 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.



## Picturehouse Media Limited

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

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
<b>As at 31<sup>st</sup> March 2017</b>					
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
<b>Total</b>	<b>2,221.31</b>	<b>2,691.12</b>	<b>3,600.12</b>	<b>-</b>	<b>8,512.54</b>

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>As at 31<sup>st</sup> March 2016</b>					
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
<b>Total</b>	<b>2,271.44</b>	<b>5,436.11</b>	<b>3,495.35</b>	<b>-</b>	<b>11,202.90</b>

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>As at 01 April 2015</b>					
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
<b>Total</b>	<b>-</b>	<b>3,177.58</b>	<b>4,655.26</b>	<b>-</b>	<b>7,832.84</b>





**Picturehouse Media Limited**  
**Summary of significant accounting policies and other explanatory information**  
**to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017**

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**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 Surreddi 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).**





**Picturehouse Media Limited**  
**Summary of significant accounting policies and other explanatory information**  
**to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2017**

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**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 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	As at 01 <sup>st</sup> April 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)
<b>Net Debt</b>	<b>3,572.96</b>	<b>3,424.10</b>	<b>4,440.28</b>
Equity Share Capital	5,225.00	5,225.00	5,225.00
Other Equity	(1,809.25)	(607.15)	(1,038.38)
<b>Total Equity</b>	<b>3,415.75</b>	<b>4,617.85</b>	<b>6,263.38</b>
<b>Debt Equity Ratio</b>	<b>1.0460</b>	<b>0.7415</b>	<b>0.7089</b>

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



# Picturehouse Media Limited

## Summary of significant accounting policies and other explanatory information to the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> 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 08 <sup>th</sup> 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 30 <sup>th</sup> 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 8<sup>th</sup> 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

**For and on behalf of the Board of Directors**

**K. JITENDRA KUMAR**  
Partner  
Membership No. 201825



**PRASAD V. POTLURI**  
Managing Director

**R NAGARAJAN**  
Director

**A.PRAVEEN KUMAR**  
GM- Finance & Accounts

**MONA RAJORA**  
Company Secretary

**Place:** Chennai  
**Date :** 30<sup>th</sup> May 2017

**Place :** Chennai  
**Date :** 30<sup>th</sup> May 2017