



## CNGSN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Picturehouse Media Limited, Chennai

#### Report on the Financial Statements

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





## **Auditor's Responsibility**

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

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

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

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

## **Opinion**

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

## **Emphasis of Matter**

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



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

1. As required by the Companies (Auditor's Report) Order, 2016 ( the Order), issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.

e. on the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of section 164(2) of the Act;

f. with respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-B; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:




- i) The Company does not have pending litigations which have impact on its financial statements.
- ii) The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



Camp: Hyderabad  
Date : 23<sup>rd</sup> May, 2016

  
R. Thirumalmarugan  
Partner  
Membership No: 200102



## **Annexure-A to the Independent Auditors' Report**

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

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

1.
  - a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The company has physically verified the fixed assets at reasonable intervals and there are no discrepancies noticed on such verification.
  - c. The company's fixed assets do not have any immovable properties.
2. The company holds inventory film production in progress - WIP. The physical verification of inventory was conducted at reasonable intervals by the management and there is no material discrepancies noticed on such verification.
3. During the year the company has granted unsecured loans to the subsidiary company, a party covered in the register maintained under section 189 of the Act. The outstanding due as on the balance sheet date is Rs.4,98,56,349/- and the entire amount was provided for.
4. The company has complied with the provisions of section 185 and 186 of the Companies Act in respect of securities and guarantees given.
5. The Company has not accepted deposits from public during this year. Therefore the provision of clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
6. The Company has made and maintained the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act.
7.
  - a. The Company is depositing, with delays, undisputed statutory dues with appropriate authorities, like Provident Fund, Employee's State insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess, wherever applicable. There are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.
  - b. There are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax have not been deposited on account of any dispute.




8. The company has not defaulted in repayment of loans or borrowings from financial institutions, bank, government or dues to debenture holders.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans obtained were applied for the purpose for which those were raised.
10. There are no fraud by the company or any fraud on the company by its officers or employees and hence the provision of clause 3 (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
11. The company has not paid any managerial remuneration and hence the provision of clause 3 (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
12. The company is not a Nidhi company and hence the provision of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
13. The transactions with the related parties are in compliance with section 177 and 188 of the Act wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The company has not made any preferential allotment of shares or private placement of shares or convertible debentures during the year and hence the provision of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
15. The company is not entered into any non-cash transactions with directors or persons connected with them and hence the provision of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
16. The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934 and hence the provision of clause 3 (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.

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

Camp: Hyderabad  
Date : 23<sup>rd</sup> May, 2016



  
R. Thirumalmarugan  
Partner  
Membership No: 200102



## **Annexure - B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") (Referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

We have audited the internal financial controls over financial reporting of Picturehouse Media Limited ("the Company") as on 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of





internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

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





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


In our opinion, *except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria*, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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



Camp: Hyderabad  
Date : 23<sup>rd</sup> May, 2016

  
R. Thirumalmarugan  
Partner  
Membership No: 200102

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

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

See accompanying notes to the financial statements

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

  
**R. THIRUMALMARUGAN**  
Partner  
Membership No. 200102

For and on behalf of the Board of Directors

  
**PRASAD V. POTLURI**  
Managing Director

  
**MONA RAJORA**  
Company Secretary

  
**R. NAGARAJAN**  
Director

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

Place : Hyderabad  
Date : May 23, 2016

Place : Hyderabad  
Date : May 23, 2016




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

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

See accompanying notes to the financial statements

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

  
**R. THIRUMALMARUGAN**  
Partner  
Membership No. 200102

For and on behalf of the Board of Directors.

  
**PRASAD V. POTLURI**  
Managing Director

  
**MONA RAJORA**  
Company Secretary

  
**R. NAGARAJAN**  
Director

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

Place : Hyderabad  
Date : May 23, 2016

Place : Hyderabad  
Date : May 23, 2016

## CASH FLOW STATEMENT for the year ended March 31, 2016

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

As per our Report of even date

For M/s CNGSN &amp; ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm.Reg.No. 0049135

R. THIRUMALMARUGAN

Partner

Membership No. 200102

For and on behalf of the Board of Directors

PRASAD V. POTLURI

Managing Director

R. NAGARAJAN

Director

MONA RAJORA

Company Secretary

A. PRAVEEN KUMAR

GM - Finance &amp; Accounts

Place : Hyderabad

Date : May 23, 2016

Place : Hyderabad

Date : May 23, 2016



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

	As at 31-03-2016 ₹	As at 31-03-2015 ₹		
Note: 2 (A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share				
Authorised Share Capital				
8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000	80,00,00,000		
	<u>80,00,00,000</u>	<u>80,00,00,000</u>		
Issued, Subscribed and Paid Up				
5,22,50,000 Equity Shares of Rs. 10/- each	52,25,00,000	52,25,00,000		
	<u>52,25,00,000</u>	<u>52,25,00,000</u>		
(B) Reconciliation of number of paid up shares outstanding				
EQUITY SHARES				
Number of shares outstanding as at the beginning of the year	5,22,50,000	5,22,50,000		
Add: Number of Shares allotted during the year	-	-		
Less: Number of Shares bought back	-	-		
Number of equity shares outstanding as at the end of the year	<u>5,22,50,000</u>	<u>5,22,50,000</u>		
(C) Equity Shares in the company held by each shareholder holding more than 5%:				
Name of shareholder	No of shares at year end 2016	% as at year end	No of shares at year end 2015	% as at year end
PVP Ventures Limited	33,53,114	6.42	33,53,114	6.42
Jhansi Sureddi	1,17,57,249	22.50	1,17,57,249	22.50
Rayudu Media Projects Private Limited	45,06,490	8.62	45,06,490	8.62
PVP Global Ventures Pvt Ltd	1,12,36,641	21.50	31,36,641	6.00
PVP Media Ventures Private Limited	1,22,99,650	23.54	1,22,99,650	23.54
Bloomfield Power Projects Private Limited	-	-	81,00,000	15.50

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

	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>Note: 3 RESERVES AND SURPLUS</b>		
	As at 31-03-2015	As at 31-03-2016
	Additions during the year	Deductions during the year
Capital Reserve	22,87,500	22,87,500
Securities Premium Reserve	1,82,50,000	1,82,50,000
Surplus ( P&L a/c ) as under:	8,32,44,595	(8,23,41,269)
	10,37,82,095	(6,18,03,769)
Opening Balance	14,03,36,192	8,32,44,595
Profit / (Loss) for the year - From P & L	(5,70,91,597)	(16,55,85,864)
Less: Proposed dividends	-	-
Tax on distributed profits	-	-
Balance of Profit / (Loss)	8,32,44,595	(8,23,41,269)
	8,32,44,595	(8,23,41,269)
<b>Note-4 LONG TERM BORROWINGS</b>		
From other parties - Secured (Refer Note No. 24.5)	38,67,07,964	47,67,99,007
From subsidiary company - PVP Capital Limited	22,71,43,558	-
	61,38,51,522	47,67,99,007
<b>Note-5 OTHER LONG TERM LIABILITIES</b>		
From Banks - Vehicle Loan	7,11,715	23,94,138
The loans are secured by vehicle purchased on Hire Purchase.		
Current Maturity of Long Term Debt (Note: 9)	(7,11,715)	(17,52,637)
	-	6,41,501
<b>Note-6 LONG TERM PROVISIONS</b>		
Employee Benefits (Refer Note No. 24.2)	53,68,161	39,91,550
	53,68,161	39,91,550
<b>Note-7 SHORT TERM BORROWINGS</b>		
From Banks - Secured (Refer Note No. 24.5)	15,18,51,095	30,06,56,423
From other parties - Secured (Refer Note No. 24.5)	35,84,81,444	-
	51,03,32,539	30,06,56,423
<b>Note-8 TRADE PAYABLE</b>		
Sundry Creditors for services	68,94,273	34,35,526
	68,94,273	34,35,526
<b>Note-9 OTHER CURRENT LIABILITIES</b>		
Income received in advance	4,87,390	55,97,390
Statutory Payable	2,14,09,819	37,26,181
Current Maturity of Long Term Debt ( Note No. 5)	7,11,715	17,52,637
	2,26,08,924	1,10,76,208
<b>Note-10 SHORT TERM PROVISIONS</b>		
Provision for CSR	8,22,110	-
Provision for employee benefits (Refer Note No. 24.2)	2,50,378	93,825
	10,72,488	93,825



**PICTUREHOUSE MEDIA LIMITED**

**Note-11 :FIXED ASSETS - TANGIBLE**

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

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

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

	As at 31-03-2016 ₹	As at 31-03-2015 ₹
<b>Note-12 NON CURRENT INVESTMENTS</b>		
a) Investment in equity instruments - Unquoted		
PVP Cinema Private Limited - 30,000 equity shares of ₹ 10/- each.	3,00,000	3,00,000
PVP Capital Limited - 2,50,00,000 equity shares of ₹ 10/- each.	25,21,73,500	25,21,73,500
Picturehouse Media Private Limited in Singapore, 5,000 ordinary shares paid 1 share @ 1\$ each	2,45,000	2,45,000
b) Investment in Mutual Fund		
Investment in Canara Robeco Mutual Funds - (NAV 43,32,121)	43,00,000	43,00,000
	25,70,18,500	25,70,18,500
Less: Provision for diminution in value of investment	(3,00,000)	(3,00,000)
	25,67,18,500	25,67,18,500
<b>Note-13 LONG TERM LOANS AND ADVANCES</b>		
Security Deposits - Considered Good	38,05,620	31,55,620
Considered doubtful (PVP Cinema Private Limited)	4,98,56,349	4,97,92,099
	5,36,61,969	5,29,47,719
Less: Provision for doubtful advances	4,98,56,349	4,97,92,099
	38,05,620	31,55,620
<b>Note-14 INVENTORIES</b>		
(Valued at cost or net realizable value which ever is less)		
Under Film Production Expenses - WIP	96,50,75,957	77,17,26,249
	96,50,75,957	77,17,26,249
<b>Note-15 TRADE RECEIVABLE</b>		
Secured - Considered Good		
Trade receivables outstanding for less than six months from the day they became due for payment.	2,50,15,138	-
	2,50,15,138	-
<b>Note-16 CASH AND CASH EQUIVALENTS</b>		
Balance with banks	66,32,139	2,12,50,779
Cash on hand	4,92,721	2,47,172
	71,24,860	2,14,97,951
<b>Note-17 SHORT TERM LOANS AND ADVANCES</b>		
Secured - Considered Good		
Loans and advances to related parties - subsidiary company	-	13,47,877
Advances for Film Finance - (Refer Note No. 24.6)	29,99,85,920	29,91,84,480
Unsecured - Considered Good		
Advances for Staff	2,05,97,351	1,89,81,297
Advances for Others	57,740	93,67,738
	32,06,41,011	32,88,81,392
<b>Note-18 OTHER CURRENT ASSETS</b>		
Advance Income Tax	2,36,82,440	1,80,76,915
Service Tax Input	19,882	-
Interest Accrued	10,443	-
Prepaid Expenses	2,27,672	3,07,641
	2,39,40,437	1,83,84,556



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

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

## **Picturehouse Media Limited**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### **Note 1 Significant Accounting Policies**

#### **1.1 Basis of preparation of financial statements**

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

#### **1.2 Revenue Recognition**

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

#### **1.3 Use of Estimates**

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

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



## **Picturehouse Media Limited**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### **1.4 Fixed Assets and Depreciation**

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

### **1.5 Benefits to employees**

#### **Gratuity**

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

#### **Leave Encashment**

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

#### **Other Benefit Plans**

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

### **1.6 Investments**

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

### **1.7 Inventory**

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

### **1.8 Foreign Currency Transactions**

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

## **Picturehouse Media Limited**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### **1.9 Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

### **1.10 Leases**

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

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

### **1.11 Borrowing Cost**

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

### **1.12 Impairment of Assets**

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

### **1.13 Cash Flow Statement**

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



## **Picturehouse Media Limited**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

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### **1.14 Segment Reporting**

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

### **1.15 Earnings per Share**

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

### **1.16 Provisions, Contingent Liabilities and Contingent Assets**

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

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

## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### NOTE 24: OTHER ITEMS

#### 24.1 Provision for Taxation and deferred tax

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

Particulars	For the year ending(Rs.)	
	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016
Opening balance of deferred tax assets	668275	47395432
Add:	694683	465073
Timing difference on account of gratuity and leave encashment		
Deferred tax asset on account of Income tax losses	48955009	48788819
Total deferred tax assets	50317967	96649324
Less: Timing difference on account of depreciation	2922535	859158
Net Deferred tax assets as at the year end	47395432	95790166

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

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

#### 24.2 Employee Benefits

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

##### Principal Actuarial assumptions used

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

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

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

##### Actuarial gain/loss recognised



## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

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

### Amounts recognized in the balance sheet

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

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

### Expenses recognised in the profit & loss statement

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

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

### Principal Actuarial assumptions used

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

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

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

## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### Actuarial gain/loss recognised

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

### Amounts recognized in the balance sheet

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

### Expenses recognised in the profit & loss statement

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

### Defined contribution plans

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

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

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

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

### Details of assets under Hire purchase

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

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



## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

- 24.5 Long Term and Short Term Secured Loans are borrowed for the purpose of advancing film production/film finance. Bank loans are secured by charge on the film production rights undertaken by the company and collateral security of land given by promoters. Borrowings from banks and others are secured by way of charge on some of the advance to film production/finance. All the loans are personally guaranteed by Mr.Prasad V Potluri, Managing Director and Mrs.Jhansi Sureddi wife of Managing Director.
- 24.6 Advance made for film finance are on the security of hypothecation of assets , mortgage of property, personal guarantee, assignment of rights, lien on film negative , undertaking to create security, etc.

### 24.7 Related party disclosures

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

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

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

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

## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

Sitting Fees paid to Directors	3,98,730	4,04,496	Nil	Nil
Corporate guarantee and security from PVP Ventures Ltd			33,25,00,000	30,00,00,000
Corporate guarantee given to PVP Capital Ltd			100,00,00,000	100,00,00,000

### 24.8 Earning per Share

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

### 24.9 Expenditure in Foreign Exchange

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

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

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

### 24.12 Contingent liabilities :

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



## Picturehouse Media Limited

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2016

### 24.13 Corporate Social Responsibility (CSR) :

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

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

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

As per report of our even date

**For M/S.CNGSN & ASSOCIATES LLP**

Chartered Accountants

Firm Reg.No.004915S


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

  
**R. Thirumalmarugan**  
Partner

M. No : 200102



Prasad V. Potluri  
(Managing  
Director)

  
R. Nagarajan  
(Director)

  
A. Praveen Kumar  
(GM - Finance & Accounts)

  
Mona Rajora  
(Company Secretary)

Place: Hyderabad  
Date: May 23, 2016

Place: Hyderabad  
Date: May 23, 2016

Place: Hyderabad  
Date: May 23, 2016