

**Independent Auditor's Report**  
**To the Members of PVP Media Ventures Private Limited**

**Report on the Ind AS Financial Statements**

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

**Management's Responsibility for the 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 and presentation of these Ind AS 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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





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

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

### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the Ind AS financial statements.

Note No. 9.7 in the Ind AS financial statements which indicates that the Company has accumulated losses and its net worth is fully eroded, the Company has incurred loss during the current and previous year(s) and the Company's current liabilities exceeded its current asset as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### **Unqualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its Loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by



the Company so far as it appears from our examination of those books;

- (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which has an impact on its financial position in 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.
  - iv. The Company has provided requisite disclosures in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 9.5 to the Ind AS financial statements.

for B.Sujeet & Co.

Chartered Accountants

Firm's registration number: 009308S

  
B. Sujeet Kumar

Proprietor

Membership number: 209547



Hyderabad

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



## Annexure - A to the Auditors' Report

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

- (i) The Company does not have any fixed assets. Hence paragraph 3(i) of the Order is not applicable to the Company.
- (ii) The Company is an Investment company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted loans to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence paragraph 3(iii) of the Order is 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 and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty or taxes which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

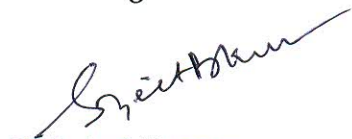


- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of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

*For B. Sujeet & Co.*

*Chartered Accountants*

Firm's registration number: 009308S



**B. Sujeet Kumar**

*Proprietor*

Membership number: 209547

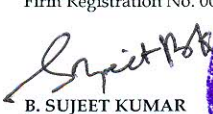





Hyderabad

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



**PVP MEDIA VENTURES PRIVATE LIMITED**  
Corporate Identification Number: U92120TN2013PTC091100  
Balance Sheet as at March 31, 2017

	Particulars	Note No.	As at Mar 31, 2017	As at Mar 31, 2016	As at April 1, 2015
	<b>ASSETS</b>				
(1)	<b>Non Current Assets</b>				
	(a) Property, Plant and Equipment		-	-	-
	(b) Capital work-in-progress		-	-	-
	(c) Financial Assets	2	69,739,015	119,552,598	120,165,720
	(i) Investments		-	-	-
	(ii) Trade receivables		-	-	-
	<b>Total Financial Asset</b>		69,739,015	119,552,598	120,165,720
	(d) Other non current assets		-	-	-
	<b>Total Non Current Assets</b>		69,739,015	119,552,598	120,165,720
(2)	<b>Current assets</b>				
	(a) Inventories		-	-	-
	(b) Financial Assets	3			
	(i) Investments		-	-	-
	(ii) Trade receivables		-	-	-
	(iii) Cash and cash equivalents		62,336	62,336	73,629
	<b>Total Financial Asset</b>		62,336	62,336	73,629
	(c) Other current assets		-	-	-
	<b>Total Current Assets</b>		62,336	62,336	73,629
(3)	<b>Non current assets classified as held for sale</b>		-	-	-
	<b>Total Assets</b>		69,801,351	119,614,934	120,239,349
	<b>EQUITY AND LIABILITIES</b>				
	<b>EQUITY</b>				
	(a) Equity Share Capital	4	190,000	190,000	190,000
	(b) Other Equity		58,508,351	109,736,629	(168,064,290)
	<b>Total Equity</b>		58,698,351	109,926,629	(167,874,290)
	<b>LIABILITIES</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities	5			
	(i) Borrowings		11,080,000	9,676,855	288,102,403
	(ii) Trade payables		-	-	-
	<b>Total Financial Liabilities</b>		11,080,000	9,676,855	288,102,403
	(b) Other non current liabilities		-	-	-
	<b>Total Non Current Liabilities</b>		11,080,000	9,676,855	288,102,403
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities	6			
	(i) Borrowings		-	-	-
	(ii) Trade payables		23,000	11,450	11,236
	<b>Total Financial Liabilities</b>		23,000	11,450	11,236
	(b) Other current liabilities		-	-	-
	<b>Total Current Liabilities</b>		23,000	11,450	11,236
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-	-
	<b>Total Equity and Liabilities</b>		69,801,351	119,614,934	120,239,349
<p>Significant Accounting Policies 1</p> <p>The accompanying notes form an integral part of the financial statements</p> <p>As per our report of even date attached.</p> <p>For M/s. B. SUJEET &amp; CO., CHARTERED ACCOUNTANTS Firm Registration No. 0093088</p> <p style="text-align: right;">For and on behalf of the Board of Directors</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">   <b>B. SUJEET KUMAR</b>  Proprietor  Membership No. 209547 </div> <div style="text-align: center;">     <b>R. Ramaswamy</b>  Director  DIN - 07737350 </div> <div style="text-align: center;">   <b>Jhansi Suredi</b>  Director  DIN - 01113261 </div> </div> <p>Place: Hyderabad Date: 18th May, 2017</p>					

**PVP MEDIA VENTURES PRIVATE LIMITED**  
Corporate Identification Number: U92120TN2013PTC091100  
Statement of Profit and Loss for the Year ended March 31, 2017

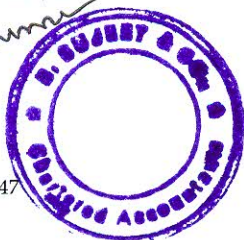
	Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations		-	-
II	Other Income		-	-
III	<b>Total Income (I + II)</b>		-	-
IV	<b>Expenses</b>			
	Employee Benefit Expense and Payment to Contractors			
	Finance Costs	7	1,403,144	1,225,453
	Depreciation and Amortisation			
	Other Operating and General Expenses	8	31,400	39,640
	<b>Total expenses (IV)</b>		1,434,544	1,265,093
V	<b>Profit Before Tax and Exception items (III - IV)</b>		(1,434,544)	(1,265,093)
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/ (Loss) Before Tax (V - VI)</b>		(1,434,544)	(1,265,093)
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		-	-
	<b>Total</b>		-	-
IX	<b>Profit for the year after tax (VII - VIII)</b>		(1,434,544)	(1,265,093)
X	<b>Other Comprehensive income, net of tax</b>			
	(A) Items that will not be reclassified subsequently to profit and loss			
	change in measurement of loan			
	Change in fair value of equity instruments designated irrevocably as FVTOCI		(49,813,583)	(613,122)
	Less :-income tax expense		-	-
			(49,813,583)	(613,122)
	(B) Items that will be reclassified subsequently to profit and loss			
	Currency translation difference (net)		-	-
			-	-
	<b>Other Comprehensive income for the year, net of tax</b>		(49,813,583)	(613,122)
XI	<b>Total Comprehensive Income for the year (IX - X)</b>		(51,248,127)	(1,878,215)
XII	<b>Earnings Per Share</b>	9		
	Basic and Diluted		(75.50)	(66.58)
	Face Value per Ordinary share		10.00	10.00

The accompanying notes form an integral part of the Financial Statements


As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



For and on behalf of the Board of Directors

  
R. Ramaswamy  
Director  
DIN - 07737350

  
Jhansi Sureddi  
Director  
DIN - 01113261

Place: Hyderabad


Date: 18th May, 2017

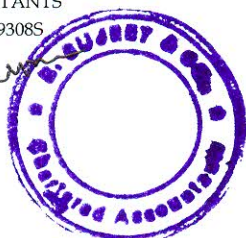
**PVP MEDIA VENTURES PRIVATE LIMITED**  
Corporate Identification Number: U92120TN2013PTC091100  
Cash Flow Statement for the year ended March 31, 2017

Particulars	31-03-2017 Rs.	31-03-2016 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net/(Loss) Profit before extraordinary items & taxation	(1,434,544)	(1,265,093)
Adjustments for operating activities :		
Add: Provision for Dimunition in value of Investments	-	-
Add: Goodwill on Merger written off	-	-
Interest Expenses	1,403,144	1,225,453
	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(31,400)</b>	<b>(39,640)</b>
Adjustments for :		
Increase/ (Decrease) in Trade Payables	11,550	214
<b>Cash generated from operations</b>	<b>(19,850)</b>	<b>(39,426)</b>
Income Tax paid	-	-
Income Tax paid for earlier years	-	-
<b>Net Cash from/ (used in) Operating Activities after extraordinary items (A)</b>	<b>(19,850)</b>	<b>(39,426)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Goodwill	-	-
(Purchase)of Long Term Investments	-	-
<b>Net cash from/ (used in) investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital		
Inter Corporate Loans received	19,850	28,134
Proceeds from Long Term Borrowings	-	-
<b>Net cash from/(used in) financing activities (C)</b>	<b>19,850</b>	<b>28,134</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>-</b>	<b>(11,292)</b>
Cash and cash equivalents at the beginning of the year	62,336	73,629
Cash and cash equivalents of the merged company	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>62,336</b>	<b>62,337</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	5,000	5,000
Balances with Banks		
-On Current Accounts	57,336	57,336
-On Deposit Accounts		
<b>Cash and cash Equivalent (as per Note 3)</b>	<b>62,336</b>	<b>62,336</b>


The accompanying notes form an integral part of the Financial Statements  
As per our report of even date attached.

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

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



For and on behalf of the Board of Directors

  
**R. Ramaswamy**  
Director  
DIN - 07737350

  
**Jhansi Sureddi**  
Director  
DIN - 01113261

Place: Hyderabad  
Date: 18th May, 2017



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

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**A. Background:** The Company is incorporated in the state of Tamilnadu in 2013. The Company is into media and entertainment business and has made strategic investments in a media and entertainment company.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(A) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

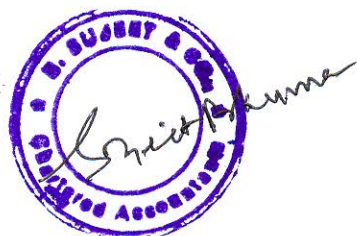
The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101. – First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note No. 11.

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

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

**(C) Use of Estimates**

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



## 1.2 Revenue Recognition

As a consistent practice, the Company recognizes revenue on an accrual basis. Interest Income is recognized on time proportion basis on the outstanding amount.

## 1.3 Financial Instruments

### 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.

### Subsequent Measurement

#### (i) Financial assets carried at amortized cost

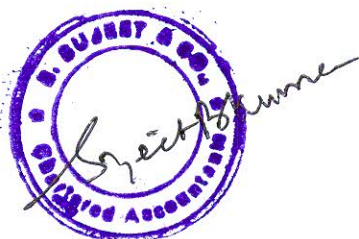
A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal 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 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. 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 which are not classified in any of the above categories are subsequently fair valued through profit or loss.





**(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized costs 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 the fair value due to the short maturity of these instruments.

**Fair Value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

**1.4 Cash Flow Statement**

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

**1.5 Borrowing Cost**

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

**1.6 Taxes on Income**

Income tax expense comprises current and deferred income tax. Income Tax is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements 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 tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. Deferred tax assets are recognized 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

#### **1.7 Earnings per Share**

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

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

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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





## Notes to Balance Sheet as at March 31, 2017

11,236

PVP MEDIA VENTURES PRIVATE LIMITED

Corporate Identification Number: U92120TN2013PTC091100

Statement of Changes in Equity for the Period ended March 31, 2017

Statement of changes in equity

Particulars	Equity Share Capital	Reserves & Surplus				Other Comprehensive Income			Equity component of Parent Company	Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Business Transfer Adjustment Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income		
Balance as on 01st April 2015	190,000		(276,487)	-	-	-	(280,000,000)	11,122,597	101,089,600	(167,874,290)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	-	279,679,134	279,679,134
Profit for the period	-	-	(1,265,093)	-	-	-	(613,122)	-	-	(1,878,215)
Balance as on 31st March 2016	190,000	-	(1,541,580)	-	-	-	(280,613,122)	11,122,597	380,768,734	109,926,629
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	-	19,850	19,850
Profit for the period	-	-	(1,434,544)	-	-	-	(49,813,583)	-	-	(51,248,127)
Balance as on 31st March 2017	190,000	-	(2,976,125)	-	-	-	(330,426,705)	11,122,597	380,788,584	58,698,351

The accompanying notes form an integral part of the Financial Statements  
As per our report of even date attached.

For M/s. B. SUJEET & CO.,

CHARTERED ACCOUNTANTS

Firm Registration No. 0093085

B. SUJEET KUMAR

Proprietor

Membership No. 209547

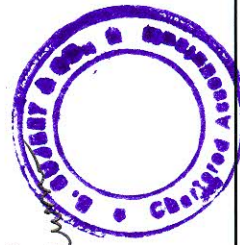
Place: Hyderabad

Date: 18th May, 2017

For and on behalf of the Board of Directors

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

*Jhansi Sureddi*  
Jhansi Sureddi  
Director  
DIN - 01113261





**PVP MEDIA VENTURES PRIVATE LIMITED**  
**Corporate Identification Number: U92120TN2013PTC091100**  
**Notes to the Statement of Profit & Loss Account for the Year Ended March 31, 2017**

	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Note- 7	Finance Cost		
	Interest on Loans	1,403,144	1,225,453
		<u>1,403,144</u>	<u>1,225,453</u>
Note- 8	Other Expenses		
	Rates and taxes	8,400	3,200
	Payment to statutory auditors as auditors	11,500	11,450
	Legal, professional and consultancy	11,500	24,933
	Bank charges	-	57
		<u>31,400</u>	<u>39,640</u>



Reconciliation of equity as previously reported under IGAAP in Ind AS

Particulars	Note No.	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind - AS	IGAAP	Effects of transition to Ind-AS	Ind - AS
<b>ASSETS</b>							
<b>Non Current Assets</b>							
(a) Property, Plant and Equipment		-	-	-	-	-	-
(b) Capital work-in-progress		-	-	-	-	-	-
(c) Investment Property		-	-	-	-	-	-
(d) Goodwill		-	-	-	-	-	-
(e) Other Intangible assets		-	-	-	-	-	-
(f) Intangible assets under development		-	-	-	-	-	-
(g) Financial Assets		120,165,720		120,165,720	119,552,598		119,552,598
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Service concession receivables		-	-	-	-	-	-
(iv) Loans		-	-	-	-	-	-
(v) Other financial assets		-	-	-	-	-	-
<b>Total Financial Asset</b>		120,165,720		120,165,720	119,552,598		119,552,598
(h) Deferred tax assets (net)		-	-	-	-	-	-
(i) Other non current assets		-	-	-	-	-	-
<b>Total Non Current Assets</b>		120,165,720		120,165,720	119,552,598		119,552,598
<b>Current assets</b>							
(a) Inventories		-	-	-	-	-	-
(b) Financial Assets		-	-	-	-	-	-
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Service concession receivables		-	-	-	-	-	-
(iv) Loans		-	-	-	-	-	-
(v) Cash and cash equivalents		73,629		73,629	62,336		62,336
(vi) Bank balances		-	-	-	-	-	-
(vii) Other financial assets		-	-	-	-	-	-
<b>Total Financial Asset</b>		73,629		73,629	62,336		62,336
(c) Current tax assets (Net)		-	-	-	-	-	-
(d) Other current assets		-	-	-	-	-	-
<b>Total Current Assets</b>		73,629		73,629	62,336		62,336
<b>Non current assets classified as held for sale</b>		-	-	-	-	-	-
<b>Total Assets</b>		120,239,349		120,239,349	119,614,934		119,614,934





Particulars	Note No.	Opening Balance Sheet as at April 1, 2015		Balance Sheet as at March 31, 2016			
		IGAAP	Effects of transition to Ind-AS	Ind - AS	IGAAP	Effects of transition to Ind-AS	Ind - AS
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		190,000	-	190,000	190,000	-	190,000
(b) Other Equity		(280,276,487)	112,212,197	(168,064,290)	(280,929,249)	390,665,878	109,736,629
<b>Total Equity</b>		(280,086,487)	112,212,197	(167,874,290)	(280,739,249)	390,665,878	109,926,629
<b>LIABILITIES</b>							
<b>Non Current Liabilities</b>							
(a) Financial Liabilities		400,314,600	(112,212,197)	288,102,403	400,342,733	(390,665,878)	9,676,855
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		-	-	-	-	-	-
(iii) Other financial liabilities		-	-	-	-	-	-
<b>Total Financial Liabilities</b>		400,314,600	(112,212,197)	288,102,403	400,342,733	(390,665,878)	9,676,855
(b) Provisions		-	-	-	-	-	-
(c) Deferred tax liabilities (Net)		-	-	-	-	-	-
(d) Other non current liabilities		-	-	-	-	-	-
<b>Total Non Current Liabilities</b>		400,314,600	(112,212,197)	288,102,403	400,342,733	(390,665,878)	9,676,855
<b>Current Liabilities</b>							
(a) Financial Liabilities		11,236	-	11,236	11,450	-	11,450
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		-	-	-	-	-	-
(iii) Other financial liabilities		-	-	-	-	-	-
<b>Total Financial Liabilities</b>		11,236	-	11,236	11,450	-	11,450
(b) Other current liabilities		-	-	-	-	-	-
(c) Provisions		-	-	-	-	-	-
(d) Current tax liabilities (Net)		-	-	-	-	-	-
<b>Total Current Liabilities</b>		11,236	-	11,236	11,450	-	11,450
<b>Liabilities associated with non current assets held for sale</b>							
		-	-	-	-	-	-
<b>Total Equity and Liabilities</b>		120,239,349	-	120,239,349	119,614,934	-	119,614,934

Explanation for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS.

1 Borrowings

Adjustments includes impact of discounting the loan

Adjustments includes regrouping of loans from group companies as Other Equity

2 Other Equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with IndAS, for the above mentioned line items



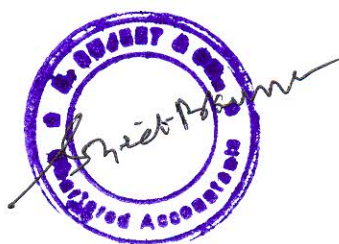
Reconciliation Statement of Profit and Loss as previously reported under IGAAP in Ind AS

	Balance Sheet as at March 31, 2016		
	IGAAP	Effects of transition to Ind-AS	Ind - AS
<b>Income</b>			
Revenue from Operations	-	-	-
Other Income	-	-	-
<b>Total</b>	-	-	-
<b>Expenses</b>			
Employee Benefit Expense and Payment to Contractors			-
Finance Costs			1,225,453
Depreciation and Amortisation			-
Other Operating and General Expenses	39,640		39,640
<b>Total</b>	39,640	-	1,265,093
<b>Profit Before Tax and Exception items</b>	(39,640)		(1,265,093)
Exceptional Items	(613,122)	613,122	-
<b>Profit/ (Loss) Before Tax</b>	(652,762)	613,122	(1,265,093)
<b>Tax Expenses</b>			
Current Tax			-
Deferred Tax	-		-
Minimum Alternative Tax Credit	-		-
Tax relating to earlier years	-		-
<b>Total</b>	-	-	-
<b>Profit for the year after tax</b>	(652,762)	613,122	(1,265,093)
<b>Other Comprehensive income, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Change in fair value of Equity Instruments designed irrevocably as FVTOCI	-	(613,122)	(613,122)
	-	(613,122)	(613,122)
<b>Items that will be reclassified subsequently to profit and loss</b>			
Currency translation difference (net)	-		-
	-	-	-
		(613,122)	
<b>Other Comprehensive income for the year, net of tax</b>	-	(613,122)	(613,122)
<b>Total Comprehensive Income for the year</b>	(652,762)	-	(1,878,215)
<b>Earnings Per Share -</b>			
Basic and Diluted - ( ₹ )	(34.36)		(66.58)
Face Value per Ordinary share - ( ₹ )	10.00		10.00

The accompanying notes form an integral part of the Financial Statements

Explanation for reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS.

Investments in equity of associate company has been fair valued through other comprehensive income as per Ind AS. Hence the diminution in value of Investment as been routed through other comprehensive income. However, as per IGAAP it was routed through statement of profit and loss





## Note 9. Other Items

### 9.1 First-time adoption of Ind-AS

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

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note No.1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss is enclosed with the financials. Exemption on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 9.2

### 9.2 Exemptions availed on first time adoption of Ind AS 101

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

#### Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVOCI' on the basis of facts and circumstances that existed at the date of transition to Ind AS. In view of this, Investments in Picturehouse Media Limited has been shown as considered as FVOCI.

Under Ind AS 109, at initial recognition of a financial liability, an entity may make an irrevocable election to present subsequent changes in the fair value of loans liability in group companies in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial liabilities as 'FOVCI' on the basis of facts and circumstances that existed at the date of transition to Ind AS.

In view of the above, Borrowings from holding company and other group companies with no specific repayment period and carrying nil rate of interest has been considered as Other Equity.



### 9.3 Earnings per Share

Particulars		March 31, 2017	March 31, 2016
Nominal Value of Equity Shares (Rs. per Share)		10	10
No. of Shares outstanding as at the year end	A	19,000	19,000
Net Profit (in Rs.)	B	(1,434,544)	(1,265,093)
Earnings Per Share- Rs. Per Share (Basic & Diluted)	B/A	(75.50)	(66.58)

### 9.4 Related Party Disclosures

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

Name of related party	Relationship
PVP Ventures Limited (PVPV)	Holding Company
New Cyberabad City Projects Private Limited (NCCPPL)	Fellow Subsidiary Company
PVP Global Ventures Private Limited (PVPGVPL)	Fellow Subsidiary Company

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

Nature of transactions	Transactions for the year ended March 31 (Rs.)		Balance as at March 31 (Rs.)	
	2017	2016	2017	2016
(i) Loans Availed				
(a) PVPV	19,850	8,59,42,242	8,61,26,692	8,61,06,842
(b) NCCPPL	Nil	19,37,36,891	29,46,61,891	29,46,61,891
(c) PVPGVPL	Nil	(27,96,51,000)	Nil	Nil

### 9.5 Specified notes disclosure:



	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Nil	5,000	5,000
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	5,000	5,000





- 9.6 The Company has not recognized deferred tax asset on carry forward losses on the grounds of prudence.
- 9.7 The Company has not been able to generate any dividends out of its investments as of now. Further the Company's liabilities far exceed the assets of the Company. The Company's net worth is fully eroded and the ability of the Company to continue as a going concern depends on support from its Holding Company and other group companies.
- 9.8 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.
- 9.9 Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to those of the current year.
- 9.10 Explanatory notes 1 to 9 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per report of our even date  
For M/s. B. Sujeet & Co  
Chartered Accountants  
Firm Reg.No. 209547S



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

For and on behalf of the Board of Directors



R. Ramaswamy  
(Director)  
DIN: 07737350



Jhansi Sureddi  
(Director)  
DIN: 01113261