

**Four** more  
**SHOTS**  
please!



# 26 ANNUAL REPORT AND ACCOUNTS 2019

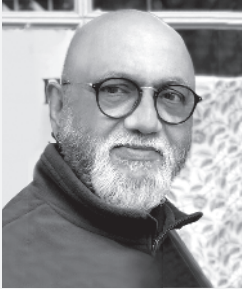


PRITISH NANDY COMMUNICATIONS LTD

[www.pritishnandycom.com](http://www.pritishnandycom.com)



## BOARD OF DIRECTORS



**PRITYSH NANDY**  
CHAIRMAN



**UDAYAN BOSE**  
INDEPENDENT DIRECTOR



**RAGHU PALAT**  
INDEPENDENT DIRECTOR



**HEMA MALINI**  
INDEPENDENT DIRECTOR



**RINA PRITYSH NANDY**  
NON-EXECUTIVE DIRECTOR



**PRADEEP GUHA**  
INDEPENDENT DIRECTOR



**PALLAB BHATTACHARYA**  
WHOLETIME DIRECTOR & CEO



**RANGITA PRITYSH NANDY**  
CREATIVE DIRECTOR

PRITISH NANDY COMMUNICATIONS LTD  
26 ANNUAL REPORT AND ACCOUNTS 2019

**BOARD OF DIRECTORS**

Pritish Nandy | Chairman  
Udayan Bose  
Hema Malini  
Raghu Palat  
Pradeep Guha  
Rina Pritish Nandy  
Pallab Bhattacharya | Wholetime Director & CEO  
Rangita Pritish Nandy | Creative Director

**COMPANY SECRETARY & CFO**

Santosh Gharat

**AUDITORS**

BD Jokhakar & Co  
Chartered Accountants

**PRINCIPAL BANKER**

Yes Bank  
Nariman Point Mumbai 400021

**REGISTERED OFFICE**

87/88 Mittal Chambers Nariman Point Mumbai 400021

**CORPORATE LEADERSHIP TEAM**

Pallab Bhattacharya | Director & CEO, Chairman Rangita Pritish Nandy | Creative Director  
Ishita Pritish Nandy | Chief Brand Strategist Santosh Gharat | Company Secretary & CFO  
Yatender Verma | Vice President, Finance, Compliances & Legal Affairs Anoop Kumar | Chief Production Officer  
Kishor Palkar | Chief Accounts Officer, Imtiaz Chougale | Manager, Accounts

# CHAIRMAN'S STATEMENT

I welcome you all to your Company's 26th Annual General Meeting. It is a pleasure to be with you here today.

This Company was founded on September 28, 1993 and here we are in another September, 26 years later and entering our 27th year, not just reflecting on how the content business has changed so radically over the past quarter century but also looking around us and trying to recognize our early contemporaries. Some have moved on, into new and different businesses. Others have been acquired. A few are still struggling to assert their identity, here and in international markets. Quicksilver shifts in technology and the constant evolution in consumer tastes have taken their toll. As has generational shifts in the pattern of content consumption. Millennials do not consume what their parents did. Post millennials, or Generation Z as they are best known, are a different lot and they are consuming even more differently. We can be sure that coming generations will also choose their own, unique content options.

One of the reasons why entertainment companies falter is because they do not or often cannot anticipate this change, and are not ready for it. Your Company has always valued sustainability above all other corporate virtues. We have raised very little money over the years and used it wisely. We have seldom depended on debt and remain till today, as debt cripples so many capable companies in this business, almost entirely debt free. Our business model, instead, has allowed us to pursue excellence—which is at the very core of the content business—instead of chasing fantasies of unreal growth or huge profit. This has helped us stay afloat in difficult times and pursue both change and excellence whenever opportunity presented itself.

As you all know, we originally began with making news content. Our election shows on the national terrestrial broadcaster were widely appreciated. Then came *The Pritish Nandy Show*, India's first signature show, another milestone. When satellite television came to India, we grew our portfolio to include many different kinds of shows, including scripted entertainment content. And as the 21st century arrived, we saw an opportunity in making filmed content. Your Company was one of the first to corporatize what was then known as a risky and opaque business and we produced some memorable movies which defined our status as one of the most respected film makers. Our movies covered multiple genres and won awards at prestigious festivals across the world. They did well enough at the box office too, to keep us going. And satellite channels like Star, which premiered most of them, found them popular. They are still being shown on television channels, on renewed leases, and are available on multiple streaming platforms like Netflix, Hotstar, Jio, Sony LIV, ErosNow, MX Player, and Spuul.

Over the past three years, even as we continue to plan new movies, we have re-tooled our skills to make original content, scripted and non-scripted, for the new streaming platforms which have taken over the entertainment business the world over. Our expertise and product excellence have made this possible because the top streaming platforms address global audiences who are extremely demanding in their taste as well as their expectations in terms of technology and QC. Our first show, an Amazon Original, *Four More Shots Please*, a serialized ten-episode fiction show, created in-house by our own creative talent (one on the Board of your Company as Creative Director, the other in the Corporate Leadership Team as head of design and digital) has successfully delivered on the expectations of Amazon Prime Video and achieved such widespread acclaim that your Company has been signed on for two more seasons of the show. The principal photography of the second season is already over. The third season is in the writers' room. Your Company is also developing another scripted fiction show and the terms of a third show-- this one unscripted, the premise of which has been approved—are being negotiated.

In the script lab that is at the heart of your Company's functioning, we are working on three more shows and two movie projects, in all of which interest has been shown by different streaming platforms. This interest will be converted into contracts before we actually commence shooting. This means: They are all de-risked projects unlike most content still being made in the entertainment business. This strategy of ours alters your Company's risk profile. At the same time, however, it slims down your Company's margins since commissioned shows work on pre-defined percentage profit—not on how well they actually do. Of course success brings you bigger shows and, eventually, better terms. But, in the short run, on commissioned shows, your margins remain fixed with

seasonal increments. Given our scale of business and risk appetite, we are not exactly uncomfortable with this. We have had two reasonably good years and this year, given no change in external circumstances impacting the entertainment business, it looks as if we may improve upon them.

Your Company now needs to grow its existing infrastructure, both talent and management wise. Most of it will still be outsourced (as at present) but enhanced in-house skills will enable us to undertake all the opportunities coming our way. Currently we are still few in number but our strength lies in the fact that some of our key management people have been with us for years, three among them from the start. This gives your Company the privilege of continuity as we grow and, given the length of service of the rest, shows how compelling your Company's human relations program is. It is part of what I describe as our sustainability ethic. Profit is secondary. We want to stay in business and continue to do quality work.

The digital revolution has opened up new opportunities for your Company. More platforms have emerged for creative content that can sustain, support and drive new businesses. Bigger and bigger global companies are creating these opportunities. And, given our creative leadership, I see no reason why your Company should not emerge as a leader in this space.

Here, content is no longer seen as a commodity that can be bought cheap, in bulk. It is seen as a great value-addition. One that can help define the platform, add to its reputation for excellence. The rules here are different. The risks and rewards are different. And what is expected of us is also very different. That is the opportunity. The opportunity your Company has been building its skills for the past 26 years.

Technology will keep changing and getting better, more accessible. So will standards of creative excellence. And audience expectations will keep changing as each generation demands its own content. Globalization will mean larger and larger audiences will watch your Company's shows across the globe in different geographies, in different languages but sharing the same human experience. Therein lies the challenge for your Company and for the business we are in. To make people laugh, cry, sing and dance in so many tongues, so many voices.

The playbook for our times is changing. And so is your Company. After 26 years, we are still celebrating the spirit of a start-up. Such is the nature of our business.

Gender equivalence is a matter of pride for us. So it may be pertinent to point out that our Board of Directors has three women and there is equal gender representation among the working directors, and there is pay parity. Among the four top officers of the Company, two are women and there is no difference in what they get paid in comparison to the other two. Our most successful show currently streaming on Amazon Prime has a predominantly women cast and crew. It not only features four women in the main roles but also has a woman director, two women show-runners, a woman cinematographer, two women writers, a woman editor and a woman creator of the show. I am sure you will agree this is quite a feat.

This statement will be incomplete without thanking all our stakeholders. You have stayed with us for years and shared our vision for content that can challenge the best anywhere. This is now happening. And your Company is ready to seize the advantage.

I thank our bankers, business associates, clients, consumers, and all members of Team PNC who have worked so hard to keep pace in a swiftly changing world. We look forward to bettering our performance as we go ahead. The coming years will however continue to be challenging. As change remains the biggest disruptor. But then, we in PNC love change, it defines us. It makes us who we are.

If there is anything more you want to know, please get in touch with our Vice President, Finance and Legal Yatender Verma at [verma@pritishnandycom.com](mailto:verma@pritishnandycom.com) or our Company Secretary Santosh Gharat at [companysecretary@pritishnandycom.com](mailto:companysecretary@pritishnandycom.com). The Company's website will also continue to keep you informed of all developments on a regular basis.

May I also recommend, in keeping with the general shift to online, that you provide us with your email ID so that we can directly inform you from time to time about all the interesting things we do? It will also ensure that this Annual Report always reaches you well in time.

To  
The Members  
Pritish Nandy Communications Limited

Your Directors present the 26<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial accounts for the financial year ended March 31, 2019.

#### FINANCIAL HIGHLIGHTS

Total income for this year was ₹ 1,568.91 lakh as compared to ₹ 2,005.21 lakh for the earlier year. The Company made a profit of ₹ 86.01 lakh before tax as compared to a profit of ₹ 157.59 lakh before tax in the preceding year.

In ₹ lakh

Particulars	Standalone	
	Year ended March 31, 2019	Year ended March 31, 2018
Income from operations	1,504.27	1,955.53
Other income	64.64	49.67
Total turnover	1,568.91	2,005.21
Total expenditure	1,482.90	1,847.61
Profit/(loss) before exceptional and extraordinary items and tax	86.01	157.59
Current tax	27.23	20.00
Profit/(loss) after current tax	58.78	137.59
Deferred tax	(35.06)	(72.74)
Profit/(loss) after deferred tax	93.84	210.33
Dividend (%)	0	0
Transfer to reserves	0	0
Balance in statement of profit and loss	(189.17)	(280.00)
Paid up capital	1,446.70	1,446.70
Earnings per share (₹)	0.65	1.45
Book value per share (₹)	56.67	56.04

#### PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

The increasing demand for content—both filmed entertainment and serialised digital streaming shows—added to your Company's revenues and we are optimistic of further developing our footprint in the growing content market. Your Company is strategically well positioned to address the viewing preferences of today's youth, the largest consumers of content across all different platforms. It is an audience your Company has been successfully addressing in the past as well. But a new orientation is now taking place and a shift in the market that allows for more OTT content to be shown. Your Company has demonstrated its ability to successfully relate to the content expectations of new viewers on mainstream OTT platforms that are today reaching out not just to Indian but also to global audiences.

Your Company visualizes an increasing opportunity for creating more such shows. To begin with, your Company has successfully delivered the first season of an Amazon Prime Original, *Four More Shots Please* which has been widely appreciated by both audiences and critics. All ten episodes of the first season of the show were dropped for binge-watching on January 25, 2019 across 200 countries and territories on the Amazon Prime Video platform. What should particularly interest our stakeholders is the fact that the show has been conceived and creatively developed in-house. Both the creator and the associate creator, who double up as the show-runners of *Four More Shots Please*, are senior in-house professionals. This is the talent hot-house that the Company set out to be 26 years ago and, today, we take pride not only in the sustainable model of business that we have created in the content business but also in the talent we have built up over the years to produce and execute our own creative projects.

The positive audience response to the show has resulted in your Company being commissioned by Amazon Prime Video to additionally and simultaneously develop the second and third seasons of *Four More Shots Please*. Apart from the development and writing, the principal photography for season two is also now complete and post production work has already commenced. Your Company has, as is true to your Company's reputation and work ethics, successfully worked within the budget and deadlines for season one and we intend to repeat that success in the coming two seasons.

Two more shows are being currently developed for OTT, one a fiction show like *Four More Shots Please* and the other, a non-fiction series in the true crime genre. Your Company has been approached by other OTT platforms as well for developing new shows, both scripted and unscripted, and work is underway for the same.

Your Company also continues to remain engaged in the development and production of filmed entertainment content. Two new feature film projects are in various stages of development. Here, too, we are looking at releasing the filmed entertainment content on OTT platforms which would entirely de-risk the projects and help us to explore the expectations of the new generation of viewers on such platforms.

Your Company has also reissued the satellite broadcasting rights of its film library to Star TV.

The film library is also being streamed on a non-exclusive basis on several OTT platforms, including Netflix, Hotstar, Jio, Sony LIV, ErosNow, MX Player and Spuul.

Moving into its 27<sup>th</sup> year of operations, your Directors are of the view that your Company is well poised to make and deliver innovative content for screening on multiple platforms in India and overseas.

#### DIVIDEND

To conserve cash resources your Directors do not recommend any dividend for this year.

#### LISTING WITH THE STOCK EXCHANGES

The equity shares of the Company continue to remain listed with the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The listing fees payable to both the stock exchanges for the year 2019-2020 have been paid.

#### TRANSFER TO RESERVES

Your Company has not transferred any amount to the general reserve.

#### DEPOSIT FROM PUBLIC

The Company has not accepted any deposits within the meaning of sections 73, 74 and 76 of the Companies, Act 2013 (the Act) and the rules framed thereunder.

#### SUBSIDIARIES

The Company has two subsidiaries: PNC Digital Ltd and PNC Wellness Ltd. There are no associate companies within the meaning of section 2(6) of the Act. There has been no material change in the nature of the business of its subsidiaries.

Pursuant to section 129(3) of the Act, in addition to the financial statements provided under section 129 (2) of the Act, consolidated financial statements of the Company and its subsidiaries in the same form and manner as that of its own shall also be laid before the Annual General Meeting (AGM) of the Company. A statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is appended as Annexure I.

Pursuant to the provisions of section 136 of the Act the financial statements and consolidated financial statements of the Company along with relevant documents and separate audited accounts in respect of its subsidiaries are available on the Company's website.

#### PNC Digital Ltd

There has been no material change in the nature of the business of this subsidiary. Its principal business is sourcing content for digital streaming, setting up niche delivery systems for digital streaming and running the business of content aggregation as well as any other technology business using the internet as its primary delivery platform. Efforts till date have not translated into revenue generation but this subsidiary will continue its efforts. Essentially this subsidiary will function as a bridge between content producers and digital distributors. There is no revenue generated in the year 2018-19 resulting in a loss.

#### PNC Wellness Ltd

There has been no material change in the nature of the business of this subsidiary. It is in dialogue with other business enterprises to expand the Company's wellness business through the digital medium. This subsidiary owns several wellness brands like Moksh, Power Yoga, Passion Yoga, Cool Yoga and Couple Yoga and is exploring ways and means to commercialise these brands by introducing them into a joint venture wellness enterprise. Considering that there was no revenue generation during the year, your Company has made further provision for diminution in values of its investments by 1/5<sup>th</sup> of its book value. The holding Company is facilitating and supporting the revival of this subsidiary's business.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care for the 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 fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and operating effectively;



f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and articles of associations of the Company, Pallab Bhattacharya, Director of the Company, retires by rotation at the ensuing AGM, and being eligible, offers himself for reappointment.

The Directors expressed their sorrow for the untimely death of Nabankur Gupta, Non-Executive Independent Director of the Company on December 7, 2018. The Directors place on record their deep appreciation for his invaluable guidance and support during his tenure as a Director. Mr Gupta was also Chairman of the Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee (CSR) and a Member of the Audit Committee of the Board of Directors of the Company.

Pursuant to Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, on recommendation of Nomination and Remuneration Committee, the Board of Directors vide its circular resolution passed on February 28, 2019 have appointed Pradeep Guha as an additional Independent Director on the Board to comply with aforesaid regulation. Mr Guha's appointment is subject to approval by the shareholders in the ensuing AGM of the Company.

Mr Guha is currently Managing Director of 9X Media Pvt Ltd. Prior to this, he was Chief Executive Officer of Zee Entertainment Enterprises Ltd and, before that, President and Executive Director of The Times of India Group. He is also on the board of Raymond Ltd, Puravankara Ltd and Whistling Woods International Ltd.

**COMPLIANCE ON CRITERIA OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent Director under section 149(7) of the Act, that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, except for the sitting fees, the independent Directors of the Company had no other pecuniary relationship or transactions with the Company.

**PARTICULARS OF EMPLOYEES**

This disclosure required to be furnished pursuant to section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure II.

**BOARD MEETINGS HELD DURING THE YEAR**

As required under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year four meetings of the Board of Directors were held and one meeting of independent directors was also held. The details of the meetings of the Board are furnished in the Corporate Governance Report.

**ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors including independent Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by the Securities and Exchange Board of India (SEBI) and the SEBI Listing Regulations.

Further, the independent Directors, at their exclusive meeting held during the year on February 14, 2019, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the SEBI Listing Regulations.

**MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR AND TILL THE DATE OF REPORT**

There has been no material change and commitment, affecting the financial performance of the Company occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Directors' report.

**AUDITORS**

**Statutory Auditors**

BD Jekhakar and Co., Chartered Accountants (FRN 104345W) were appointed as Statutory Auditors of the Company for a period of four consecutive years at the AGM of the Members held on September 24, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Pursuant to the amendments made to section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at the ensuing AGM is not being sought.

There is no audit qualification, reservation or adverse remark for the year under review.

**AUDITORS' REPORT**

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

In the Emphasis of Matter paragraph, the auditors have stated

"We draw attention to Note 36(a) on the standalone financial statements which relates to investment in wholly owned subsidiary "PNC Wellness Ltd.". The investment in this subsidiary stands at ₹ 116.40 lakh whereas the net worth of the subsidiary is ₹ 33.42 lakh as at March 31, 2019. Considering that the Company has made provision for diminution in value of investment in this subsidiary by 1/5<sup>th</sup> of its book value and considers the balance retained book value as fully realizable no further provision is made for the diminution in book value of investment which is considered as temporary.

We further draw attention to Note 36(b) on the standalone financial statements which relates to investment in subsidiary "PNC Digital Ltd.". The investment in this subsidiary stands at ₹ 70.20 lakh whereas the net worth of the subsidiary is ₹ 7.56 lakh as at March 31, 2019. The Company has agreed to provide its films to this Subsidiary to explore revenue opportunities on the digital platform and exploit it to its commercial advantage. In view of the fact that this subsidiary has unfettered access to the film content of the Holding Company and requires no additional substantive capital deployment to generate revenue no provision for diminution in value of investment, which is considered temporary, has been made in the accounts.

We further draw attention to Note 38(a) on the standalone financial statements which describe the facts related to the legal proceedings initiated by the Company for the recovery of an advance of ₹ 150 lakh. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the opinion and consequently the Company has not made provision of any amount there against.

We further draw attention to Note 38(b) on the standalone financial statements which describes that the Company has received an award of ₹ 352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹ 300 lakh by the Bombay High Court. Proceedings are ongoing and in view of the same, outstanding of ₹ 317.53 lakh is considered as fully recoverable.

We further draw attention to Note 39 on the standalone financial statements which describes the facts related to the arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantee of ₹ 750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

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

Your Directors confirm that the matters referred to in the segment relation to Emphasis of Matter by the independent auditors in their report have been clarified in Notes 36(a), 36(b), 38(a), 38(b) and 39 on the financial statements forming part of the balance sheet and Statement of Profit and Loss, and are self-explanatory and reproduced below

**Note 36 (a)**

**PNC Wellness Ltd**

The Company has an investment of ₹ 116.40 lakh (PY ₹ 174.60 lakh) in equity shares of wholly owned subsidiary viz PNC Wellness Ltd. The net worth of this subsidiary is ₹ 33.42 lakh as on March 31, 2019. There was no revenue generation by this subsidiary during the year under review. This Subsidiary, which owns several wellness brands like Moksh and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. is exploring avenues to commercialise its aforesaid brands. This subsidiary is in the process of realigning its business by making efforts to commercialise and lease its various brands through collaborative arrangements with other parties. The Company is facilitating and supporting the revival of this subsidiary's business. Considering that there was no revenue generation during the year under review the management has made provision for diminution in value of investment in this subsidiary by 1/5<sup>th</sup> of its book value and considers the retained book value as fully realisable. No further provision is made for the diminution in book value of investment which is considered as temporary.

**Note 36 (b)**

**PNC Digital Ltd**

The Company has an investment of ₹ 70.20 lakh (PY ₹ 70.20 lakh) in equity shares of subsidiary viz PNC Digital Ltd. The net worth of this subsidiary is ₹ 7.56 lakh as on March 31, 2019. The Company has agreed to provide its films to this Subsidiary to explore revenue opportunities on the digital platform and exploit it to its commercial advantage but this subsidiary was not able to generate income from its operational activities in the year gone by. This subsidiary will continue its efforts in future. In view of the fact that this subsidiary has unfettered access to the film content of the holding Company and requires no additional substantive capital deployment to generate revenue no provision for diminution in value of investment, which is considered temporary, has been made in the accounts. This Company will leverage its market standing to facilitate other smaller production houses to gain access to large digital content distributors to facilitate them getting better prices and commercial terms for their content.

**Note 38 (a)**

The legal proceedings initiated by the Company for the recovery of an advance of ₹ 150 lakh which was given against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights. The management of the Company considers the same as good and fully recoverable. Legal opinion obtained by the Company supports this. Auditors have relied on the opinion and consequently no provision has been made in the accounts at this stage.

## Note 38 (b)

The Company has received an award of ₹ 352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹ 300 lakh by the Bombay High Court. Proceedings are ongoing and in view of the same outstanding amount of ₹ 317.53 lakh is considered as fully recoverable and no provision made of any amount there against.

## Note 39

Arbitration proceedings initiated by the company against Prasara Bharati on account of wrongful encashment of bank guarantee of ₹ 750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

## SECRETARIAL AUDITORS' REPORT

VN Deodhar and Company, practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the fiscal year 2019, as required under section 204 of the Act, 2013 and rules thereunder.

The Secretarial Auditors' Report is given as Annexure III which forms part of this report. The Secretarial Auditors' report states that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned therein except in the following case:

Your Company has filled up the vacancy of Chief Financial Officer (CFO) by appointing Santosh Gharat, Company Secretary of our Company, a suitable candidate for the post, as the Chief Financial Officer of the Company in its meeting of the Board of Directors held on April 16, 2019.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

A detailed report on Management Discussion and Analysis is enclosed with this report.

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Auditor submits his report to the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of the internal control system of the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of the Internal Auditor, officers undertake corrective action in their respective areas and thereby strengthen control. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

## RISK MANAGEMENT

The Company has adopted a Risk Management Policy, pursuant to the provisions of section 134 of the Act, which enables identification and evaluation of business risks and opportunities. This policy seeks to create transparency, minimize adverse impacts on business objectives and enhance the Company's competitive advantage. The Company has constituted a Business Process and Risk Management Committee to monitor the risks and their mitigating actions continuously.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE ACT

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

## TRANSACTIONS WITH RELATED PARTIES

All Related Party Transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. Details of Related Party Transactions are disclosed in Note 34 of the Audited Financial Statements of the Company.

## EXTRACT OF ANNUAL RETURN

Under section 92(3) of the Act, the extract of annual return is given in Annexure IV in the prescribed form MGT-9, which forms part of the report.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted an Internal Complaints Committee (ICC). While maintaining the highest governance norms, the Company has, within the ICC, appointed an external independent person who has worked in this area and has the requisite experience in handling such matters.

During the year, no complaint of sexual harassment was received by the Company. To build awareness in this area, the Company has been conducting induction and refresher programmes in the organisation on a continuous basis.

## REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/ or Board under section 143(12) of Act and Rules framed thereunder.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR policy is aimed at demonstrating care for the community through its focus on education, skill development, health, wellness and research on content.

Further, in accordance with the provisions of section 135 of the Act and rules framed thereunder, the Company has adopted and constituted a CSR Committee of Directors comprising of the following:

1. Udayan Bose (Chairman)
2. Pallab Bhattacharya
3. Hema Malini

The detailed policy and constitution of the committee is available on the Company's website.

No CSR provision is applicable for the financial year ended March 31, 2019 as the average net profit of the Company for the last three financial years is a loss and inadequate profit.

However, the Company has put in place a policy that ensures all excess and unconsumed food for unit people, including cast and crew, during production shoots are immediately given away to the NGO Feeding India for urgent distribution to the needy and hungry.

## DISCLOSURE REQUIREMENT

As per SEBI Listing Regulations, Corporate Governance Report with auditors' certificate thereon and Management Discussion and Analysis are attached, which form part of this report.

Details of the familiarization programme of the independent Directors are available on the website of the Company.

Policy for determining material subsidiaries of the Company is available on the website of the Company.

Policy on dealing with related party transactions is available on the website of the Company.

The website of the Company is www.pritishnandy.com.

The Company has formulated and published a Whistle Blower Policy to provide vigil mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of section 177(9) of the Act and the SEBI Listing Regulations with stock exchanges.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per section 134(3) (m) of the Act, the particulars of Energy Conservation, Research and Development and Technology Absorption are not applicable to your Company.

Foreign Exchange Earnings and Outgo during the year are given in Annexure V which forms part of the report.

## TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There are no amounts which remained unclaimed, and unpaid, for a period of 7 years from the date of declaration of dividend.

## ACKNOWLEDGMENT

The Board thanks all stakeholders in the Company, clients, bankers and financial institutions for their continued support during the year. It also wishes to record its appreciation of the efforts put in by all staff and associates of the Company.

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholtime Director and CEO  
DIN:00008277

Udayan Bose  
Director  
DIN:00004533



## ANNEXURE – I

STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC – 1 RELATING TO SUBSIDIARY COMPANIES

(In ₹ lakh)

PARTICULARS			
Sr. No.	Name of Subsidiary Company	PNC Wellness Ltd	PNC Digital Ltd
1.	Reporting currency	INR	INR
2.	Exchange rate	NA	NA
3.	Share capital	66.00	50.00
4.	Reserves and surplus	(32.58)	(42.44)
5.	Total assets	52.60	15.15
6.	Total liabilities (except share capital and reserve and surplus)	19.18	7.59
7.	Investments	0.00	0.00
8.	Turnover (including other income)	0.00	0.00
9.	Profit/ (loss) before taxation	(1.66)	(0.81)
10.	Provision for taxation (including deferred tax)	37.30	0.00
11.	Profit/ (loss) after taxation	(38.96)	(0.81)
12.	Proposed dividend	Nil	Nil
13.	% of shareholding	100%	99.78%

Note

- Reporting period for all the Subsidiaries is March 31, 2019.

## ANNEXURE – II

THE INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL RULES, 2014 ARE GIVEN BELOW

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

Description	Ratio of median remuneration
Wholetime Directors	
Pallab Bhattacharya	5.56
Rangita Pritish Nandy	5.68

- The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year

Name	% increase in remuneration in the financial year
Pallab Bhattacharya, Wholetime Director and CEO	44.93%
Rangita Pritish Nandy, Creative Director	68.07%
Santosh Gharat, Company Secretary and CFO	24.00%

- The percentage increase in the median remuneration of employees in the financial year: 48.25%.

The number of permanent employees on the rolls of Company: 17

- The explanation on the relationship between average increase in remuneration and Company's performance

The increment in remuneration during the year 2018-19 was 36.09%.

- Comparison of the remuneration of the key managerial personnel against the performance of the Company

Aggregate remuneration of Key Managerial Personnel (KMP)	Amount (In ₹ lakh)
FY 2018-19	
Revenue	1,568.91
Remuneration of KMP (as % of revenue)	3.64
Profit/ (loss) before tax (PBT)	86.01
Remuneration of KMP (as % of PBT)	66.41

- Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	March 31, 2019	March 31, 2018	% Change
Market Capitalization (in ₹ lakh)	2,553.45	2,126.65	20.07
Price Earnings Ratio	27.15	10.14	167.79

- Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	March 31, 2019	IPO	% Change
Market Price (BSE)	17.65	155	(88.61)
Market Price (NSE)	18.95	155	(87.77)

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The salaries of employees was increased by 26.11%.

- Comparison of remuneration of each key managerial personnel against the performance of the Company

This year was devoted to finalising and putting in place new projects to be taken up by the Company. Such projects are in an advanced stage of pre-production. These projects will generate revenue on completion and release. Consequently, the Company was unable to make adequate profit resulting in excess payment on Directors' remuneration account.

- The key parameters for any variable component of remuneration availed by the Directors: The Company does not have any variable component of remuneration availed by the directors.

- The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year

There is no employee drawing remuneration which exceeds the highest paid Directors.

- Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company.

- The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There was no employee drawing remuneration of sixty lakh rupees per annum or rupees five lakh per month.



## ANNEXURE TO DIRECTORS' REPORT

PRITHISH NANDY COMMUNICATIONS LTD  
THE 26TH ANNUAL REPORT AND ACCOUNTS 2019

### ANNEXURE – III

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
PRITHISH NANDY COMMUNICATIONS LIMITED  
87/88, Mittal Chambers  
Nariman Point  
Mumbai 400 021.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prithish Nandy Communications Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Prithish Nandy Communications Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Prithish Nandy Communications Limited ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. We have been informed that the management has identified and confirmed the following law as specifically applicable to the Company:
  - a. The Cinematograph Act, 1952  
We have also examined compliance with the applicable clauses of the following:
    - i. Secretarial Standards issued by The Institute of Company Secretaries of India.
    - ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange in respect of Issue and Listing of Securities;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in the following case:

1. The Company has not appointed Chief Financial Officer as required under the provisions of Section 203(iii) of the Act, 2013 and the Listing Agreements with Stock Exchanges  
We have been informed that the Company has complied with this provision on April 16, 2019.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For VN Deodhar and Co.

Vinayak N Deodhar  
Proprietor  
FCS number 1880  
CP number 898

Mumbai, May 28, 2019

### ANNEXURE A TO THE SECRETARIAL AUDIT REPORT

To,  
The Members,  
PRITHISH NANDY COMMUNICATIONS LIMITED

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events, etc.
5. The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VN Deodhar and Co.

Vinayak N Deodhar  
Proprietor  
FCS number 1880  
CP number 898

Mumbai, May 28, 2019

## ANNEXURE – IV

FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

## I. REGISTRATION AND OTHER DETAILS

- i. CIN - L22120MH1993PLC074214
- ii. Registration Date - September 28, 1993
- iii. Name of the Company – Pritish Nandy Communications Ltd
- iv. Category/ sub-Category of the Company – Company limited by shares
- v. Address of the registered office and contact details

Pritish Nandy Communications Ltd  
87/88 Mittal Chambers, Nariman Point, Mumbai 400021  
Tel : 91-22-42130000  
Fax : 91-22-42130033  
Website: www.pritishnandycom.com

- vi. Whether listed Company: Yes

- vii. Name, address and contact details of registrar and transfer agent, if any

Linkintime India Private Limited  
C-121, 247 Park, LBS Marg  
Vikhroli (West)  
Mumbai 400 083  
Tel.: 91-22-49186000  
Fax: 91-22-49186060  
Website: www.linkintime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Production of television programmes or television commercials	59113	85.66%
2.	Production of motion pictures	59111	14.34%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	PNC Digital Ltd Address 87/88 Mittal Chambers, Nariman Point, Mumbai 400021	U22110MH1994PLC076934	Subsidiary	99.78	2(87)
2.	PNC Wellness Ltd Address 87/88 Mittal Chambers, Nariman Point, Mumbai 400021	U55100MH1999PLC120196	Subsidiary	100.00	2(87)

## IV. STATEMENT SHOWING SHAREHOLDING PATTERN

- a. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April 1, 2018)				No. of Shares held at the end of the year (i.e. as on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1.	Indian									
	a. Individual/ HUF	3,896,307	0	3,896,307	26.93	3,896,307	0	3,896,307	26.93	0.00
	b. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	c. State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
	d. Bodies Corp.	2,098,232	0	2,098,232	14.51	2,605,354	0	2,605,354	18.01	3.50
	e. Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
	f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(1)	5,994,539	0	5,994,539	41.44	6,501,661	0	6,501,661	44.94	3.50
2.	Foreign									
	a. NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	b. Others – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	c. Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
	d. Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoters/ Promoter Group (A)=(A)(1)+(A)(2)	5,994,539	0	5,994,539	41.44	6,501,661	0	6,501,661	44.94	3.50
B.	Public Shareholding									
1.	Institutions									
	b. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
	c. Banks / FI	192,653	0	192,653	1.33	192,653	0	192,653	1.33	0.00
	d. Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	e. State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
	f. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	g. Insurance Companies	25,000	0	25,000	0.17	25,000	0	25,000	0.17	0.00
	h. FIIs	0	0	0	0.00	0	0	0	0.00	0.00
	i. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	j. Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1)	217,653	0	217,653	1.50	217,653	0	217,653	1.50	0.00



	Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on April 1, 2018)				No. of Shares held at the end of the year (i.e. as on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									
a.	Individuals									
	1. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2,245,059	4,280	2,249,339	15.540	2,196,211	4,279	2,200,490	15.21	(0.33)
	2. Individual shareholders holding nominal share capital in excess ₹ 1 Lakh	3,121,040	0	3,121,040	21.57	3,334,277	0	3,334,277	23.05	1.48
b.	NBFCs registered with RBI	0	0	0	0.00	500	0	500	0.00	0.00
c.	Overseas Depositories	0	0	0	0.00	0	0	0	0.00	0.00
d.	Others (specify)									
	1. Trusts	3,000	0	3,000	0.02	3,000	0	3,000	0.02	0.00
	2. Clearing members	153,501	0	153,501	1.06	48,562	0	48,562	0.34	(0.73)
	3. Foreign Companies	475,000	0	475,000	3.28	0	0	0	0.00	(3.28)
	4. HUFs	405,030	0	405,030	2.80	381,973	0	381,973	2.64	(0.16)
	5. Non resident Indians (Non Repat)	6,700	0	6,700	0.05	5,600	0	5,600	0.04	(0.01)
	6. Other directors	50,000	0	50,000	0.35	58,000	0	58,000	0.40	0.06
	7. Bodies Corporate	1,704,013	1	1,704,014	11.78	1,668,943	1	1,668,943	11.54	(0.24)
	8. Non resident Indians (Repat)	87,184	0	87,184	0.60	46,340	0	46,340	0.32	(0.28)
	Sub-total (B)(2)	8,250,527	4,281	8,254,808	57.05	7,743,406	4,280	7,747,685	53.55	57.06
	Total Shareholding (B)= (B)(1)+(B)(2)	8,468,180	4,281	8,472,461	58.55	7,961,059	4,280	7,965,338	55.06	58.56
	Total (A) + (B)	14,462,719	4,281	14,467,000	100.00	14,462,720	4,280	14,467,000	100.00	100.00
C.	Share held by Custodian for GDRs and ADRs Public	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	14,462,719	4,281	14,467,000	100.00	14,462,720	4,280	14,467,000	100.00	100.00

## b. Shareholding of Promoters

Sr. No.	Shareholders' name	Shareholding at the beginning of the year as on April 1, 2018			Shareholding at the end of the Year as on March 31, 2019			% Change in Share holding during the years
		No. of Shares	% of total shares of the Company	% of Share Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Share Pledged / encumbered to total shares	
1.	Pritish Nandy	2,952,197	20.41	0.00	2,952,197	20.41	0.00	0.00
2.	Artinvest India Pvt Ltd	1,394,789	9.64	0.00	1,394,789	9.64	0.00	0.00
3.	Ideas.com India Pvt Ltd	703,443	4.86	0.00	1,210,565	8.37	0.00	3.51
4.	Rina Pritish Nandy	625,000	4.32	0.00	625,000	4.32	0.00	0.00
5.	Rangita Pritish Nandy	193,500	1.34	0.00	193,500	1.34	0.00	0.00
6.	Ishita Pritish Nandy	125,610	0.87	0.00	125,610	0.87	0.00	0.00
	Total	5,994,539	41.44	0.00	6,501,661	44.95	0.00	3.51

## c. Change in Promoters' Shareholding (please specify, if there is no change)

Sr No.	Name and type of transaction	Shareholding at the beginning of the year as on April 1, 2018		Transactions during the year		Cumulative Shareholding during the year as on March 31, 2019	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No. of shares	% of total shares of the Company
1.	Ideas.com India Pvt Ltd	703,443	4.86				
				August 17, 2018	456,955	1,160,398	8.02
				January 25, 2019	7,613	1,168,011	8.07
				February 1, 2019	39,016	1,207,027	8.34
				February 22, 2019	3,538	1,210,565	8.37

## d. Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year April 1, 2018		Transactions during the year		Cumulative Shareholding during the year as on March 31, 2019	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No. of shares	% of total shares of the Company
1.	Kamal M Morarka	1,495,659	10.34	NA	0	1,495,659	10.34
2.	Gannon Dunkerley Finance Ltd	1,402,842	9.70	NA	0	1,402,842	9.70
3.	Sushma Daga	127,000	0.88				
				December 28, 2018	11,123	138,123	0.95
				December 31, 2018	29,998	1,68,121	1.16
				January 4, 2019	10,002	1,78,123	1.23

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year April 1, 2018		Transactions during the year		Cumulative Shareholding during the year as on March 31, 2019	
		No. of shares	% of total shares of the Company	Date of transaction	No. of shares	No. of shares	% of total shares of the Company
4.	Radheshyam Ramgopal	171,308	1.18				
				March 15, 2019	3,961	175,269	1.21
5.	Parag Suresh Kamat	149,288	1.03				
				June 8, 2018	910	150,198	1.04
				September 21, 2018	400	150,598	1.04
				September 29, 2018	100	150,698	1.04
				October 5, 2018	1,397	152,095	1.05
				October 12, 2018	1,582	153,677	1.06
				October 19, 2018	848	154,525	1.07
				October 26, 2018	1,335	155,860	1.08
				November 2, 2018	400	156,260	1.08
6.	Naminder Singh Dhir	142,433	0.98	NA	0	142,433	0.98
7.	Poonamchand Ramnarayan Rathi	132,997	0.92	NA	0	132,997	0.92
8.	Sonal Parag Kamat	114,417	0.79				
				May 25, 2018	600	115,017	0.80
				June 1, 2018	1,615	116,632	0.81
				June 8, 2018	200	116,832	0.81
				October 19, 2018	200	117,032	0.81
				October 26, 2018	1,390	118,422	0.82
				November 2, 2018	240	118,662	0.82
9.	Hasmukh Parekh	100,000	0.69	NA	0	100,000	0.69
10.	Mustafa Rajkotwala	90,331	0.62	NA	0	90,331	0.62
11.	MCPI Holdings Ltd	475,000	3.28				
				August 3, 2018	(16,845)	458,155	3.17
				August 10, 2018	(458,155)	0	0.00

## e. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Folio/ Beneficiary Account no	Name of the Shareholders	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year as on March 31, 2019	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	IN300126-10509983	Pallab Bhattacharya	At the beginning of the year	50,000	0.34	58,000	0.40
			At the end of the year	58,000	0.40	58,000	0.40

## V. INDEBTEDNESS

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

(In ₹ lakh)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	433.43	0.00	0.00	433.43
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	433.43	0.00	0.00	433.43
Change in Indebtedness during the financial year				
i. Addition	116.72	0.00	0.00	116.72
ii. Reduction	128.64	0.00	0.00	128.64
Net change (i-ii)	(11.92)	0.00	0.00	(11.92)
Indebtedness at the end of the financial year				
i. Principal amount	421.51	0.00	0.00	421.51
ii. Interest due but not paid	0.00	0.00	0.00	0.00
iii. Interest accrued but not	0.00	0.00	0.00	0.00
Total (i+ii+iii)	421.51	0.00	0.00	421.51

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## a. Remuneration to Managing Director, Wholtime Directors and/ or Manager

(In ₹ lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Pallab Bhattacharya Wholtime Director and CEO	Rangita Nandy Creative Director	
1.	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.29	24.45	38.74
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option			
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5.	Others, please specify	5.43	7.35	12.78
	Total (A)	19.72	31.80	51.52
	Ceiling as per the Act	Not Applicable		

## b. Remuneration to other directors:

(In ₹ lakh)

Sr. No.	Name of Directors	Fee for attending board/ committee meetings	Commission Others, please specify	Total Amount
1.	Independent Directors			
	a. Udayan Bose	3.60	0	3.60
	b. Nabankur Gupta	1.60	0	1.60
	c. Hema Malini	0.40	0	0.40
	d. Raghu Palat	3.60	0	3.60
	Total (1)	9.20	0	9.20
2.	Other Non-Executive Directors			
	a. Pritish Nandy	1.20	0	1.20
	b. Rina Pritish Nandy	0.80	0	0.80
	Total (2)	2.00	0	2.00
	Total (b)=(1+2)	11.20	0	11.20
	Total Managerial Remuneration	11.20	0	11.20
	Overall Ceiling as per the Act	Ceiling is not applicable since only sitting fees are paid to Independent and Non-executive Directors.		

## c. Remuneration to key managerial personnel other than managing director/manager/wholtime director

(In ₹ lakh)

Sr. No.	Particulars of Remuneration	Company Secretary and CFO
1.	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.60
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission	0
	- as % of profit	
	- others, specify...	
5.	Others, please specify	0
	Total	5.60

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment, or compounding of offence during the year ended March 31, 2019.

## ANNEXURE – V

## FOREIGN EXCHANGE EARNINGS AND OUTGO

(In ₹ lakh)

Particulars	FY 2018-19	FY 2017-18
FOREIGN EXCHANGE EARNINGS		
Sale of owned content	44.61	1.78
Total	44.61	1.78
FOREIGN EXCHANGE OUTGO		
Traveling expenses	0.00	1.64
Total	0.00	1.64



## OVERVIEW

In the current content business scenario, internet enabled streaming platforms have emerged as the largest growing segment.

Our Company has proved over the years that it understands the content needs and preferences of young and emerging audiences. Be it through television content, films or, now, shows that are streamed online. Our skills are backed by 26 years of actual experience.

## 1. INDUSTRY, SEGMENT-WISE PERFORMANCE, OPPORTUNITIES AND OUTLOOK

## a. CONTENT

## PRESENT ECONOMIC AND PERFORMANCE OF THE COMPANY

The increasing demand for content—both filmed entertainment and serialised digital streaming shows—added to our Company's revenues and we intend to further develop our footprint in the growing content market, both in India as well as overseas. This is best done through international OTT platforms.

Our Company's first streaming show, the first season of ten episodes of *Four More Shots Please*, an Amazon Original, dropped on January 25 this year across 200 countries and territories on the Amazon Prime Video platform.

The positive response to the show has resulted in two more seasons being commissioned by Amazon Prime Video. The principal photography of the second season has just been completed and post production has commenced while the third season is being written. The Company has successfully met both the budget for the first season as well as the production deadlines. We intend to do the same for the next two seasons.

Two more shows are being currently developed for OTT, one a fiction show like *Four More Shots Please* and the other, a non-fiction series in the true crime genre. Our Company has been approached by other OTT platforms as well for developing new shows, both scripted and unscripted. Discussions are on.

Our Company also continues to remain engaged in the development and production of filmed entertainment content. Two new feature film projects are in various stages of development. Here, too, we are considering the possibility of these films on OTT platforms which would entirely de-risk the projects and help us to explore the growing viewership on such platforms.

Our Company has also reissued the satellite broadcasting rights of its film library to Star TV. The library is also being streamed on several OTT platforms, including Netflix, Hotstar, Jio, Sony LIV, ErosNow, MX Player and Spuul.

Moving into our 27<sup>th</sup> year, we are well positioned to make and deliver innovative content for screening on multiple platforms in India and overseas. Our filmed entertainment products are widely accepted by discerning audiences all over the world and our serialised digital content is streaming across the globe, localised in different languages.

## b. DIGITAL AND WELLNESS: The Company has two subsidiaries viz. PNC Digital Ltd and PNC Wellness Ltd.

## PNC Digital Ltd

There has been no material change in the nature of the business of this subsidiary. Its principal business is sourcing content for digital streaming, setting up niche delivery systems for digital streaming and running the business of content aggregation as well as any other technology business using the internet as its primary delivery platform. Efforts till date have not translated into revenue generation but this subsidiary will continue its efforts. Essentially this subsidiary will function as a bridge between content producers and digital distributors.

## PNC Wellness Ltd

There has been no material change in the nature of the business of this subsidiary. It is in dialogue with other business enterprises to rework the Company's wellness business through the digital medium. This subsidiary owns several wellness brands like Moksh, Power Yoga, Passion Yoga, Cool Yoga and Couple Yoga and is exploring ways and means to commercialize them through joint ventures.

## 2. RISKS, CONCERNS AND THREATS

The content business is risk-prone. Shifting audience tastes has made the market unpredictable with films having shorter windows for generating revenues at the time of their first theatrical release. Distributors are risk averse and are reluctant to pay minimum guarantees upfront. The Company is therefore, focusing on strategies for recovering its investment in content prior to or at the time of a film's release. The Company plays an important role in the marketing of its own films.

Providing content to OTT players is working on the basis of approved and commissioned projects. This fits in with the Company's overall strategy for risk management.

Piracy still remains a serious problem. The industry is trying to find more effective ways and means to cope with it. The Company continues its multi-product portfolio approach to minimize and manage the risks of the business. The Company is also constantly reviewing and researching the audience's likes and dislikes by creating innovative products that can meet the challenge of audience expectations.

The negatives of the Company's archived filmed content are ageing and in the current digital scenario, can eventually become technology-obsolete. To counter this and continue to generate income from these films, the Company has already digitised its entire film archives.

## 3. INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND RISK MANAGEMENT

The Company has adequate internal control systems in place. These constantly generate and assess creative ideas. There is collective responsibility at every stage of decision making and a Corporate Leadership Team including important department heads examines and clears each project for implementation. Our Company has in place an adequate system of internal controls with documented procedures covering all corporate functions. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the management covering all critical and important activities including revenue management, production, purchase, finance, compliances, human resources, safety and the adoption of best practices. These policies and procedures are updated from time to time and compliance is monitored by internal and external audit. Our clients also have their own rigorous audit processes in place which act as additional controls.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operational activity. The focus of these reviews is as follow:

- Identify weakness and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Company's Code of Conduct

The Business Process and Risk Management Committee under the supervision of the Audit Committee of the Board oversees the adequacy of internal control environment through regular reviews of the Internal Audit Report and monitoring implementations of internal audit recommendations through the compliance reports submitted to them. Our Company is faced with different types of risks which need different approaches for mitigation.

On a primary basis our Company has identified and categorised the following risks:

Operational risks like injury to lead actor/s and/or critical crew, loss by fire, high personnel turnover ratio, piracy, delay in production cycle, censor certification where applicable, litigation, negative public perception, box office failure and realization of payments due, environment risks like technology shifts, new emerging trends and statutory and legal compliances. Financial risks like shortage of working capital, diminution of asset value, data loss, inventory loss, bad debts and theft/ loss of cash and valuables. There are also intangible asset risks such as misuse of intellectual property rights and deterioration of brand image.

Depending on the nature, impact and probability of the risk our Company has devised various mitigating solutions like: providing for contingencies, taking insurance cover wherever necessary, making quality content products, devising appropriate marketing strategies, aligning pay scale with industry standards, training staff and offering growth opportunities, maintaining work life balance, providing for leisure, installing proper payment systems, maintaining good relations, carrying out raids and lodging complaints with anti-piracy organizations, making audiences aware of the benefit of original print quality, ensuring proper project management, forming multiple teams with experienced team leaders, ensuring film content complies with guidelines, ensuring proper contractual documentation of rights, ensuring that true facts are disseminated swiftly, identifying new platforms, tying up with distributors and exhibitors wherever required, dealing with established and reputed dealers, ensuring staff familiarity with latest technology, identifying trends, carrying out research, ensuring proper filing of statutory documents and returns, ensuring proper budgetary planning and cash flow, complying with a proper depreciation accounting policy, complying with dividend payout policy, ensuring timely replacement of equipment at best prices, maintaining proper inward and outward registers, checking the library periodically, initiating legal action whenever applicable, monitoring adequate cash levels and registering intellectual property with appropriate authorities and monitoring and managing its brand image continuously.

## 4. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company's financial performance is stable. The Company is currently focusing on enhancing growth along with profitability.

## 5. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is continuously building its talent base. Its Corporate Leadership Team has qualified and experienced members drawn from different specializations. The middle management cadre has been developed and strengthened. However, the Company, as a policy, sees its core content making business essentially as project management. It prefers to assemble talent teams for each content project and these teams are disbanded once the project is complete. The talent bank that the Company has access to remains independent and is yet available to the Company at short notice.

The Company enjoys cordial relations with its employees and the talent that it hires on a project basis. Most employees have been with the Company for several years.

## 6. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied.

The Company is committed to maintaining high standards of Corporate Governance. It believes in fair dealing, ethical conduct and best practices that recognize the importance of all stakeholders.

This means ensuring accountability, efficiency and compliance. The Company believes that its action must reflect a sense of social responsibility and incorporate the importance of values in all transactions. Therefore, a systematic approach has been followed for proper internal controls, timely dissemination of information to investors and compliance with listing norms. Information to investors is being provided through the website of the Company and the stock exchanges, as well as by publication of quarterly financial results in newspapers and through the annual report and accounts to shareholders.

#### 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy is to maintain high levels of transparency, accountability and equity in all areas of its operations and in all interaction with its stakeholders. It believes that it must attain the objective of enhancing stakeholder value on a continuing and sustainable basis.

The company is in compliance with the requirements stipulated under regulation 27 and Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, with regard to corporate governance.

At the core of the Company's corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of its stakeholders. Your Company believes an active, well-informed, independent Board is crucial to ensure high standards of corporate governance.

The Company's corporate governance policy is meant to assist the Board in the exercise of its responsibilities. This policy is subject to future changes as may be required in the light of the amendments in various regulations. To ensure that stakeholders are aware of all such changes, these are posted on the Company website: [www.pritishnandy.com](http://www.pritishnandy.com)

#### 2. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is governed by the Companies Act, 2013 (the Act) and the listing regulations entered into with the stock exchanges where the securities issued by the Company are listed. The Board has 8 directors as on March 31, 2019, of who 2 are Promoter Non-Executive Directors, 2 are Wholtime Directors and 4 are Independent, Non-executive Directors. All the Directors are eminent professionals with specialist experience. Wholtime Directors in the Company have grown from the ranks.

None of the Directors on the Board hold directorships\* in more than 10 public companies. Further, none of them is a member of more than 10 committees or chairman of more than 5 committees Viz. Audit Committee and Stakeholders Relationship Committee, across all the public companies in which he or she is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the Directors.

During 2018-19, the Board met 4 times: on May 25, 2018, July 18, 2018, November 14, 2018, and February 14, 2019. The time gap between any 2 meetings was not more than 120 days or more than 4 calendar months. The following table gives details of Directors, their attendance at Board Meetings and at the last Annual General Meeting, number of memberships held by Directors on the board and committees of various companies as on March 31, 2019.

Director (Designation)	Category	Number of Board Meetings attended	Whether last AGM Attended	Number of other Company's directorships*, committee' memberships and chairmanship			Shareholding Equity share of ₹ 10 each
				Director	Committee Member	Committee Chairman	
Pritish Nandy** (Chairman)	Promoter, Non-Executive Director	3	Yes	-	-	-	2,952,197
Udayan Bose	Independent, Non-Executive Director	4	Yes	2	2	2	-
Nabankur Gupta***	Independent, Non-Executive Director	2	Yes	5	4	1	20,000
Hema Malini	Independent, Non-Executive Director	1	Yes	-	-	-	-
Rina Pritish Nandy**	Promoter, Non-Executive Director	2	Yes	-	-	-	625,000
Pallab Bhattacharya (Wholtime Director and CEO)	Executive Director	4	Yes	2	-	-	58,000
Rangita Pritish Nandy** (Wholtime and Creative Director)	Promoter, Executive Director	4	Yes	1	-	-	193,500
Raghu Palat	Independent, Non-Executive Director	4	Yes	-	-	-	-
Pradeep Guha#	Independent, Non-Executive Director	0	NA	-	-	-	-

\* Other Company directorships do not include directorship in private limited companies, foreign Companies and companies registered under Section 8 of the Act.

+ Committee includes only two committees: Audit Committee and Stakeholders' Relationship Committee of other public companies.

\*\* Relationship among Directors: Pritish Nandy and Rina Pritish Nandy are husband and wife and Rangita Pritish Nandy is their daughter.

\*\*\* Nabankur Gupta, Independent Non-Executive Director has ceased from the Board of the Company due to his demise on December 7, 2018.

# Pradeep Guha has been appointed as the additional Independent Director on the Board w.e.f. February 28, 2019 and his appointment will be regularised in the ensuing Annual General Meeting as an Independent Non-Executive Director on the Board of the Company.

All Directors have made necessary disclosures regarding committee positions occupied by them in other companies. The membership and chairmanship of committees of other companies in which the Directors of the Company are member or chairman are in compliance with Regulation 27 of the Listing Regulations, 2015.

#### 3. AUDIT COMMITTEE

The constitution of the Audit Committee meets with the requirements of Section 177 of the Act, and the SEBI Listing Regulations with the stock exchange. The terms of reference specified by the Board to the Audit Committee are as per SEBI Listing Regulations and the same is part of the Corporate Governance policy adopted by the Board.

As on March 31, 2019, the Audit Committee consists of Udayan Bose, Chairman, Raghu Palat as member. As the committee was short of one Independent Director, the Company designated Pradeep Guha as an additional member on the Committee on February 28, 2019 through circular resolution. All members of the Audit Committee including the Chairman are Independent Directors and financially literate. Santosh Gharat, Company Secretary and CFO acts as Secretary of the Audit Committee.

During the year 2018-19, the Audit Committee met 4 times: on May 25, 2018, July 18, 2018, November 14, 2018 and February 14, 2019. Attendance of Committee members during the year 2018-19 is as under:

Name of member	Attendance	May 25, 2018	July 18, 2018	November 14, 2018	February 14, 2019
Udayan Bose (Chairman)	4	Yes	Yes	Yes	Yes
Nabankur Gupta	2	Yes	Yes	No	No
Raghu Palat	4	Yes	No	Yes	Yes

\*\*\* Nabankur Gupta, Independent Non-Executive Director ceased from the Directorship due to his death on December 7, 2018.

#### 4. HUMAN RESOURCES, NOMINATION AND REMUNERATION COMMITTEE (HRNR Committee):

The Human Resources, Nomination and Remuneration Committee (HRNR Committee) has been established with the duty to assist the Board of Directors in fulfilling their roles and responsibility involving human resources as defined under the Act.

To rationalize all employees related issues, while adhering to the requirements of the Act, SEBI Listing Regulations as amended from time to time, the Board of the Company has constituted the Human Resources, Nomination and Remuneration Committee.

Constitution of the Human Resources, Nomination and Remuneration Committee and the terms of reference specified by the Board to the Committee are as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 and Schedule V of the Companies Act, 2013. Remuneration Committee consists of Udayan Bose as Chairman, and Raghu Palat as member.

Santosh Gharat, Company Secretary and CFO acts as Secretary of the Committee.

**Directors' Remuneration**

- Advisory fees: Non-Executive Chairman's advisory fees is ₹ 96 lakh per annum. The necessary approval has been obtained under Section 197(1) of the Act.
- Sitting fees: Sitting fees are paid to Non-Executive Directors for attending Board and Audit Committee Meetings. All Non-Executive Directors are paid sitting fees of ₹ 40,000 for attending Board Meetings as well as for Audit Committee Meetings.
- Remuneration: Details of current remuneration of Wholtime Directors are as under:

Pallab Bhattacharya, was re-appointed as Wholtime Director and CEO of the Company for a further period of 5 years with effect from February 18, 2015 to February 17, 2020 on the remuneration and other terms and conditions as set out in the agreement executed with him, the broad terms whereof are given herein below:

With the approval of Board of Directors his managerial agreement is amended and his remuneration is increased to ₹ 3,50,000 w.e.f. February 1, 2019.

- Salary: Not exceeding ₹ 3,50,000 per month, subject to annual increment
- Perquisite: Company car with a driver.
- Gratuity is payable as per rules of the Company at the end of service.
- Reimbursement of traveling, hotel and other reasonable expenses actually incurred by him for Company work.

Rangita Pritish Nandy, was re-appointed as Creative Director of the Company for a further period of 5 years with effect from January 31, 2015 to January 30, 2020 on the remuneration and other terms and conditions as set out in the agreement executed with her, the broad terms whereof are given herein below:

With the approval of Board of Directors her managerial agreement is amended and her remuneration is increased to ₹ 4,00,000 per month w.e.f. February 1, 2019.

- Salary: Not exceeding ₹ 4,00,000 per month, subject to annual increment
- Perquisite: Company car with a driver.
- Gratuity is payable as per rules of the Company at the end of service.
- Reimbursement of traveling, hotel and other reasonable expenses actually incurred by her for Company work.

Wholtime Directors of the Company are entitled to annual increments, as decided by the Board. Annual increments are merit based and taking into account the Company's performance. If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the provisions of schedule V of the Act.

Shareholdings of the Non-Executive Directors of the Company as on March 31, 2019 as follows:

Of the 2 Non-Executive Directors, Promoter Directors Pritish Nandy and Rina Pritish Nandy hold 2,952,197 (20.41%) and 625,000 (4.32%) equity shares of the Company respectively.

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Your Company has a Stakeholders' Relationship Committee in accordance with the provisions of the Act and SEBI Listing Regulations, 2015.

This Stakeholders Relationship Committee is constituted under the chairmanship of Independent Director, Udayan Bose and Raghu Palat and Pallab Bhattacharya are its members. Santosh Gharat, Company Secretary acts as Secretary of this Committee.

This Committee reviews and redresses the grievances related to securities such as transfer of securities, dividend and any other investor grievances like non-receipt of Annual Report and non-receipt of dividends. The Committee also oversees the performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to this Committee.

No investor's complaint was received during the year 2018-2019.

**6. GENERAL BODY MEETINGS**

Year	Location	Date and Time
Annual General Meeting(s)		
2015-2016	Walchand Hirachand Hall, Mumbai 400020	September 21, 2016 at 3.00 PM
2016-2017	Walchand Hirachand Hall, Mumbai 400020	September 21, 2017 at 3.00 PM
2017-2018	Walchand Hirachand Hall, Mumbai 400020	September 24, 2018 at 3.00 PM

**7. OTHER COMMITTEES**

**RISK MANAGEMENT COMMITTEE:** The Risk Management Policy which includes procedures for assessment and minimization is adopted by the Board. The said policy is also put up on the website of the company: www.pritishnandy.com. The Board has constituted the

Business Process and Risk Management Committee consisting of Pallab Bhattacharya, Non-Independent and Executive Director as Chairman and Yatender Verma, Vice President – Finance, Compliances and Legal Affairs as member.

The terms of reference of the Risk Management Committee inter alia, include the following.

- To ensure that all the current and future materials risk exposure of the company are identified, assessed quantified, appropriately mitigated and managed.
- To establish a framework for the company's risk management process and to ensure companywide implementation.
- Improve decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats
- Contribute towards more efficient use/ allocation of the resources within the organization
- Protect and enhance assets and company image.
- To enable compliance with appropriate regulations, whenever applicable, through the adoption of best practices.

**INTERNAL COMPLAINTS COMMITTEE:** The Company has formed and instituted a Complaints Committee for redressal of sexual harassment complaint and for ensuring time bound investigation of such complaints.

The Complaints Committee comprises of the following four members:

- Ishita Pritish Nandy, Chairperson
- Arshneet Bhumra, Member
- Anoop Kumar, Member
- Ambika Hiranandani, Representative of NGO

The Complaints Committee is responsible for:

- Investigating every formal written complaint of sexual harassment.
- Taking appropriate remedial measures to respond to any substantiated allegations of sexual harassment.
- Discouraging and preventing employment-related sexual harassment.

During the year under review, no complaint was received.

**8. DISCLOSURES**

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. None of the transactions with any related party were in conflict with the interests of the Company.
- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years. There were no instances of non-compliance on any matter related to the capital markets during the last 3 years.



- c. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior. No person has been denied access to the chairman of the Audit Committee. The said policy is also put up on the website of the Company.
- d. The Board has adopted policies to establish transparency and good governance. These policies are the Board Diversity Policy, Code of Conduct of directors and senior management, Policy on Material Subsidiary, Related Party Transaction Policy, Succession Policy and Insider Trading Policy. These policies are put up on the website of the Company.

#### 9. SUBSIDIARY COMPANIES

The audit committee reviews the Standalone and consolidated financial statements of the Company and the investments made in its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have material non-listed Indian subsidiary companies.

#### 10. MEANS OF COMMUNICATION

- a. The unaudited quarterly financial statements, audited annual financial statements, quarterly shareholding pattern and corporate governance reports are posted on the website of the Company. The website also carries official news about the Company's upcoming activities.
- b. The quarterly unaudited and annual audited financial statements are generally published in all editions of the Financial Express and Dainik Sagar, Mumbai, a vernacular Marathi daily. All the material information about the Company including the financial results are immediately submitted to Stock Exchanges, where the shares of the Company are listed to enable them to upload the same on their website.
- c. The Company also makes presentations to investors from time to time.
- d. Management Discussion and Analysis forms part of this Annual Report.

#### 11. GENERAL SHAREHOLDER INFORMATION

##### 11.1 Annual General Meeting

Date and time	:	September 23, 2019 at 3:00 P.M.
Venue	:	Walchand Hirachand Hall, 4 <sup>th</sup> floor, IMC Building, IMC Marg Churchgate, Mumbai 400020

##### 11.2 Financial calendar (tentative) for financial year

April 1, 2019 to March 31, 2020

##### A Board meetings to consider financial results

Before August 14, 2019	:	Results for the first quarter
Before November 14, 2019	:	Results for the second quarter
Before February 14, 2020	:	Results for the third quarter
Before May 30, 2020	:	Results for the fourth quarter and year ending March 31, 2020

##### B Annual General Meeting

September, 2020

##### 11.3 Date of book closure

September 17, 2019 to September 23, 2019 (both days inclusive)

##### 11.4 Dividend payment date

Not applicable

##### 11.5 Listing on Stock Exchanges

- a. Bombay Stock Exchange Ltd  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400023
- b. National Stock Exchange of India Ltd  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

##### 11.6 Stock code and other information

Bombay Stock Exchange – 532387  
National Stock Exchange – PNC  
Market lot – 1 share  
ISIN: INE 392B01011 (Equity)  
Equity shares of the Company are traded only in dematerialised form.

##### 11.7 Company's share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty

Period (As on March 31, 2018 and March 31, 2019)	% change in Company's share price	% change in Indices
BSE-Sensex	20.07	17.30
NSE-Nifty	30.24	14.93

##### 11.8 Market price data

	NSE		BSE	
	Month's high price (₹)	Month's low price (₹)	Month's high price (₹)	Month's low price (₹)
April 2018	19.50	14.85	18.45	15.15
May 2018	21.20	14.70	21.60	14.95
June 2018	20.80	15.75	20.25	16.50
July 2018	17.35	13.65	16.50	14.05
August 2018	17.85	14.55	17.95	14.85
September 2018	16.95	13.00	17.03	13.24
October 2018	16.00	12.95	16.60	12.60
November 2018	15.40	11.70	15.10	11.60
December 2018	19.25	11.80	18.79	12.18
January 2019	19.40	15.60	19.25	14.90
February 2019	23.00	14.20	22.50	15.40
March 2019	21.40	17.05	20.00	16.20

##### 11.9 Registrar and transfer agents

Link Intime India Private Ltd

##### 11.10 Share transfer system

Share transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

##### 11.11 Distribution of shareholding as on March 31, 2019

Equity shares of face value of ₹ 10 each					
Shares of nominal value of ₹	Number of shareholders	%	Number of shares	Share amount in (₹)	%
Up to 5,000	4,035	79.21	611,660	6,116,600	4.46
5,001 to 10,000	485	9.52	410,631	4,106,310	2.98
10,001 to 20,000	247	4.85	387,515	3,875,150	2.76
20,001 to 30,000	90	1.77	233,907	2,339,070	1.78
30,001 to 40,000	47	0.92	167,661	1,676,610	0.99
40,001 to 50,000	37	0.73	172,170	1,721,700	1.22
50,001 to 100,000	74	1.45	560,763	5,607,630	4.06
100,001 and above	79	1.55	11,922,693	11,922,6930	81.75
Total	5,094	100.00	14,467,000	144,670,000	100.00

Distribution of shareholding as on March 31, 2019 (Category wise)

Particulars	%
Promoters holding	44.94
Banks and Financial Institutions	01.33
Insurance Companies	0.17
Clearing Member	0.34
Trust	0.02
Public and private corporate bodies	11.54
NRIs/ OCBs	0.36
Indian public and others	38.26
Other Directors	0.40
HUF	2.64
Total	100.00

11.12 Dematerialization of shares and liquidity

About 14,462,720 equity shares of the Company are held in dematerialised form which constitutes 99.97% of the total number of equity shares dematerialised as on March 31, 2019. Trading in the equity shares of the Company is permitted only in dematerialised form. The equity shares of the Company are actively traded on BSE and NSE.

11.13 Outstanding GDR/ADRs warrants or convertible instruments : The Company has no outstanding instruments convertible into equity shares.

11.14 Plant locations : The Company has no plant.

11.15 Address for investor correspondence

Registrar and share transfer agent	Company
Link Intime India Pvt Ltd	The Company Secretary
Unit: Pritish Nandy Communications Limited	Pritish Nandy Communications Limited
C-101, 247 Park	87/88, Mittal Chambers
LBS Marg, Vikhroli (West)	Nariman Point
Mumbai 400083	Mumbai 400021
Tel : 91-22-49186000	Tel : 91-22-42130000
Fax : 91-22-49186060	Fax : 91-22-42130033
Email : rnt.helpdesk@linkintime.co.in	email : investorgrievance@prishnandycom.com
Website : www.linkintime.co.in	Website : www.pritishnandycom.com

OTHER INFORMATION

a. Listing fees for the financial year 2019-2020 have been paid to both the exchanges.

b. Code of conduct for Board of Directors

The Board has adopted a Code of Conduct for its directors and senior management of the Company. This code of conduct has been followed by all. The code is available on the website of the Company [www.pritishnandycom.com](http://www.pritishnandycom.com).

c. PNC's code for prevention of insider trading

The Board has adopted a code of conduct in accordance with the model code of conduct prescribed by SEBI. The code, besides other relevant matters, prohibits an insider from dealing in the shares of the Company while in possession of unpublished price sensitive information in relation to the Company. The Company Secretary has been appointed as the Compliance Officer for monitoring implementation of the Code. The Code of Conduct is applicable to all employees who have access to unpublished price sensitive information relating to the Company as well as the directors; they have complied with the code and the Company has received confirmation to that effect. During the time of declaration of results, dividend and other material events, the trading window is closed as per the code.

d. CEO/ CFO Certification

A certificate from the Pallab Bhattacharya, Wholtime Director and CEO and Santosh Gharat, Company Secretary and CFO of the Company on the financial statement of the Company was placed before the Board.

For and on behalf of the Board

Mumbai, May 28, 2019

Pallab Bhattacharya  
Wholtime Director and CEO

Santosh Gharat  
Company Secretary and CFO

## DECLARATION BY CEO

I, Pallab Bhattacharya, Wholtime Director and CEO of Pritish Nandy Communications Limited, confirm that the Company has adopted a Code of Conduct of its Directors including Non-Executive directors and senior management.

This code is available on our Company's website [www.pritishnandycom.com](http://www.pritishnandycom.com). I further confirm that the Company has received a declaration of compliance with the Code of Conduct for the year ended March 31, 2019 from Members of its Board and senior management personnel.

Mumbai, May 28, 2019

Pallab Bhattacharya  
Wholtime Director and CEO

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
PRITISH NANDY COMMUNICATIONS LIMITED

1. We, BD Jokhakar and Co., Chartered Accountants, the Statutory Auditors of Prtish Nandy Communications Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2019, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For BD Jokhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019



## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
PRITISH NANDY COMMUNICATIONS LIMITED

Report on the Audit of Standalone Financial Statements

## OPINION

We have audited the accompanying standalone financial statements of PRITISH NANDY COMMUNICATIONS LIMITED ("the Company"), which comprise the Balance sheet as at March 31, 2019, and the statement of profit and loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## EMPHASIS OF MATTER

We draw attention to Note 36(a) on the standalone financial statements which relates to investment in wholly owned subsidiary company "PNC Wellness Ltd". The investment in this subsidiary stands at ₹ 116.40 lakh whereas the net worth of the subsidiary is ₹ 33.42 lakh as at March 31, 2019. Considering that the Company has made provision for diminution in value of investment in this subsidiary by 1/5<sup>th</sup> of its book value and considers the balance retained book value as fully realizable no further provision is made for the diminution in book value of investment which is considered as temporary.

We further draw attention to Note 36(b) on the standalone financial statements which relates to investment in subsidiary company "PNC Digital Ltd". The investment in this subsidiary stands at ₹ 70.20 lakh whereas the net worth of the subsidiary is ₹ 7.56 lakh as at March 31, 2019. The Company has agreed to provide its films to this subsidiary company to explore revenue opportunities on the digital platform and exploit it to its commercial advantage. In view of the fact that this subsidiary has unfettered access to the film content of the Holding company and requires no additional substantive capital deployment to generate revenue no provision for diminution in value of investment, which is considered temporary, has been made in the accounts.

We further draw attention to Note 38(a) on the standalone financial statements which describe the facts related to the legal proceedings initiated by the Company for the recovery of an advance of ₹ 150 lakh. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the opinion and consequently the Company has not made provision of any amount there against.

We further draw attention to Note 38(b) on the standalone financial statements which describes that the Company has received an award of ₹ 352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹ 300 lakh by the Bombay High Court. Proceedings are ongoing and in view of the same, outstanding of ₹ 317.53 lakh is considered as fully recoverable.

We further draw attention to Note 39 on the standalone financial statements which describes the facts related to the arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantee of ₹ 750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

- a. Valuation of Inventory (as described in Note 9 and Note 2.5 of the standalone financial statements)

## Description of Key Audit Matter

Inventory includes Cinematic Content and Television Content. Cinematic Content includes Incomplete Cinematic content, Abandoned/ shelved cinematic content and Completed cinematic content. Television Content includes unexploited television content, unfinished television content, production property and exploited television content.

Considering the distinctiveness of each type of inventory, the industry in which the Company is operating, and the peculiarity involved makes valuation a complex exercise. Additionally, the allocation of cost is done on the basis of genre, nature of the cinematic content involving significant judgments and estimates by the management. The value of the Company's Inventories as at March 31, 2019 amounts to ₹ 5,698.40 lakh, which is a significant component of the balance sheet. Therefore, we have considered it to be a key audit matter.

## Description of Auditor's response

We have gained adequate understanding of the nature of Inventories and applied the prescriptions given in Ind AS 2 in their context.

We analysed the valuation approaches adopted by management for each class of Inventories for their appropriateness. We also audited the methodology used by the Company and verified reasonableness of costs allocated and estimates applied by the Company including useful life of the content, implications of technological changes and other factors mention in Note 40 to the standalone financial statements. Further we have reviewed the valuation carried out on the basis of the accounting policy including realizations made in the past and expectation of future potential to earn there from. Finally, the appropriateness and adequacy of the presentation and disclosure of Inventory in the financial statements was audited.

- b. Amortisation of Inventory (as described in Note 2.5 and Note 40 of the standalone financial statements)

## Description of Key Audit Matter

Inventory of Company are intangible in nature. Determination of useful life of Intangible assets involves significant estimates by the management which involves the expected usage of the asset by the Company, product life cycles, technical, technological or other types of obsolescence, and various other factors mentioned in Note 40 to the standalone financial statements. Cost of inventory is divided into components such as music rights, rights other than music such as theatrical rights, satellite, others and residual rights. Each of these components of costs are amortised by the management over their respective estimated useful lives as described in Note 2.5 and Note 40 to the standalone financial statements.

Considering the significant estimates involved by the management and its complexity, we have considered it to be a Key audit matter.

## Description of Auditor's response

Audit procedure included detailed review of rationale documented by the management for ascertaining useful life of intangible assets, basis of allocation of costs into different categories, basis of its amortization as per manner provided in Note 2.5 and Note 40 to standalone financial statements. In addition, we also verified the industry practice, past trends, examined the transactions to ascertain that amortization is in accordance with accounting policy.

- c. Revenue Recognition (as described in Note 2.8 and Note 25 of the standalone financial statements)

## Description of Key Audit Matter

Revenue (as disclosed in Note 25) from each stream of income is contracted uniquely based on number of factors. Costs incurred from conceptualisation onwards is typical to the industry and the Company considering the uncertainty and measurability of eventual success of a project. There are often timing differences between when revenue/cost invoiced/incurred to when revenue/cost is actually earned/charged. The resultant bifurcation between accruals and deferrals are brought to account at each reporting date.

The accounting policies for revenue recognition are set out in Note 2.8 to the standalone financial statements. This is considered to be a key audit matter due to significance of revenue in the statement of profit and loss and the complexity involved in the revenue cycle for determination of existence, accuracy and timing of revenue recognition.

## Description of Auditor's response

Audit procedure relating to existence, accuracy and timing of revenue recognition included reading the terms and conditions of contracts relating to different classes of contracts, examination of transactions, cut off procedures to check that revenue is accrued in the correct accounting period, review of controls and analytical procedures covering revenue, direct costs and margins for different revenue streams were audited amongst other things.

- d. Advance for Content (as described in Note 8 of the standalone financial statements)

## Description of Key Audit Matter

Company carries out number of long-term in-house content development projects for which it incurs costs for title registration, advances to writers, pre-shoot expenses, advance for finalizing cast, professional fees etc. These amounts have different ageing depending on the progress of each project. These costs are classified as 'Advance for Content' amounting to ₹ 1,823.37 lakh as at March 31, 2019 which is a significant component of the balance sheet. Therefore, we have considered it to be a key audit matter.

## Description of Auditor's response

Audit procedure included understanding from the technical team about its realizable value, its future viability and management contention to continue with the project including considerations for write off / impairment based on future plans of the Company. We verify the existence of title in the name of the Company, the agreements, and obtaining confirmation for material amounts. Finally, the appropriateness and adequacy of the presentation and disclosure of Advance for Content in the financial statements was audited.

## OTHER INFORMATION

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Chairman's Statement, Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material

misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 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 (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38 and Note 39 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For BD Jokhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. According to the information and explanations given to us, fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held by the Company. Therefore, sub clause (c) of the paragraph 3 (i) of the Order is not applicable to the Company.
- ii. As explained to us by the management, the production/ making of content requires various types, qualities and quantities of content related consumables and inputs in different denominations. Due to the multiplicity and complexity of items, it is not practicable to maintain quantitative record/ continuous stock register, as the process of making content is not amenable to it. All the purchases of content related consumables are treated as consumed. In view of this the Company does not maintain stock register, except the record of the finished content, unamortised content, unfinished content and also does not carry out physical verification of stock. However, management physically verifies the finished content in the hand at the end of the year.
- iii. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us, the Company has not given any loans, made investments, provided guarantees and securities during the year as contemplated under section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, paragraph 3(v) of the Order is not applicable.
- vi. According to information and explanations given to us, the maintenance of cost records under Section 148 (1) of the Act is not prescribed under the Companies (Cost Records and Audit) Rules, 2014.
- vii. a. According to 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, employees' state insurance, income-tax, goods and services tax, duty of customs, duty of excise, cess and other material statutory dues as applicable to it have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there were no undisputed statutory dues as mentioned above in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the dues in respect of income tax (including TDS), sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending as on March 31, 2019 are as given below:

Name of the statute	Nature of the dues	Amount in lakh*	Period to which it relates	Forum where dispute is pending
MVAT Act, 2002	Tax and Interest	27.24	FY 2005-2006	Deputy Commissioner of Sales Tax Appeals – I, Mumbai
MVAT Act, 2002	Tax, Interest and Penalty	2.85	FY 2006-2007	Deputy Commissioner of Sales Tax Appeal, Mumbai

Name of the statute	Nature of the dues	Amount in lakh*	Period to which it relates	Forum where dispute is pending
MVAT Act, 2002	Interest	37.88	FY 2007-2008	Deputy Commissioner of Sales Tax Appeals – II, Mumbai
MVAT Act, 2002	Interest	0.99	FY 2008-2009	Deputy Commissioner of Sales Tax Appeals – I, Mumbai

\*Interim Stay has been granted in these matters till disposal of respective first appeals.

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions. The Company did not have any outstanding debentures, dues to banks and Governments.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the explanations given to us, on an overall basis, the term loans were applied for the purposes for which those were raised.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company 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 paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, paragraph 3(xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in Note 34 of the standalone 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, no preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review. Therefore, paragraph 3(xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act. Therefore, 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 and therefore the provisions of paragraph 3(xvi) of the order is not applicable.

For BD Jolkhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on standalone financial statements of even date)

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

We have audited the internal financial controls over financial reporting of Prithi Nandy Communications Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 Act.

## AUDITOR'S 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For BD Jolkhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

	Note No	As at March 31, 2019	As at March 31, 2018
(In ₹ lakh)			
<b>I. ASSETS</b>			
Non-current assets			
a. Property, plant and equipment	3	195.99	110.25
b. Financial assets			
i. Investments	4	186.60	244.80
ii. Trade receivables	5	43.48	65.48
iii. Other financial assets	6	1,142.54	1,147.40
c. Income tax assets (net)	7	81.95	85.39
d. Other non-current assets	8	1,845.03	1,803.54
Total non current assets		3,495.59	3,456.86
<b>II. Current assets</b>			
a. Inventories	9	5,698.40	5,802.99
b. Financial assets			
i. Trade receivables	10	419.93	58.35
ii. Cash and cash equivalents	11	292.23	310.52
iii. Bank balances other than (ii) above	12	458.42	468.00
iv. Other financial assets	13	62.71	120.95
c. Other current assets	14	26.81	17.17
Total current assets		6,958.50	6,777.98
<b>TOTAL ASSETS</b>		<b>10,454.09</b>	<b>10,234.84</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
a. Equity share capital	15	1,446.70	1,446.70
b. Other equity	16	6,751.77	6,660.94
Total equity		8,198.47	8,107.64
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	17	112.86	62.64
ii. Trade payables			
Total outstanding dues to Micro and small enterprises		0.00	0.00
Creditors other than micro and small enterprises	18	150.94	168.57
iii. Other financial liabilities	19	31.62	31.62
b. Deferred tax liabilities (net)	20	1,090.63	1,125.69
Total non-current liabilities		1,386.05	1,388.52
<b>II. Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	21	295.11	361.08
ii. Trade payables			
Total outstanding dues of Micro and small enterprises		0.00	0.00
Creditors other than micro and small enterprises	22	84.43	129.12
iii. Other financial liabilities	23	23.73	19.93
b. Other current liabilities	24	466.30	228.55
Total current liabilities		869.57	738.68
<b>TOTAL LIABILITIES</b>		<b>2,255.62</b>	<b>2,127.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,454.09</b>	<b>10,234.84</b>
Significant accounting policies	2		
Notes to accounts form an integral part of financial statements	1 to 47		

As per our attached report of even date

For BD Jokhakar and Co.  
Chartered AccountantsPramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019Udayan Bose  
Director  
DIN: 00004533Santosh Gharat  
Company Secretary and CFO



# STATEMENT OF PROFIT AND LOSS

PRITISH NANDY COMMUNICATIONS LTD  
THE 26TH ANNUAL REPORT AND ACCOUNTS 2019

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		(In ₹ lakh)	
	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
I. Revenue from operations	25	1,504.27	1,955.54
II. Other income	26	64.64	49.67
III. Total income (I+II)		<u>1,568.91</u>	<u>2,005.21</u>
<b>IV. EXPENSES</b>			
Cost of content	27	837.82	1,202.51
Changes in inventories of content	28	104.59	163.03
Employee benefits expense	29	148.08	111.40
Finance costs	30	57.04	65.87
Depreciation and amortisation expense	3	21.26	17.80
Other expenses	31	314.11	287.01
Total expenses (IV)		<u>1,482.90</u>	<u>1,847.62</u>
V. Profit/ (loss) before tax (III-IV)		86.01	157.59
<b>VI. Tax expense</b>			
Current tax		26.26	20.00
Deferred tax		(35.06)	(72.74)
Short/ (excess) provision for tax (earlier years)		0.97	0.00
Total tax expense (VI)		<u>(7.83)</u>	<u>(52.74)</u>
VII. Profit/ (Loss) for the period (V-VI)		93.84	210.33
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss (net of tax)		(3.01)	(2.31)
Other Comprehensive Income, net of tax (VIII)		<u>(3.01)</u>	<u>(2.31)</u>
IX. Total comprehensive income for the period (VII+VIII)		<u>90.83</u>	<u>208.02</u>
<b>X. Earnings per equity share (Face value of ₹ 10)</b>			
Basic and diluted	42	0.65	1.45
Significant accounting policies	2		
Notes to accounts form an integral part of financial statements	1 to 47		

As per our attached report of even date  
For BD Jokhakar and Co.  
Chartered Accountants

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277

Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019

Udayan Bose  
Director  
DIN: 00004533

Santosh Gharat  
Company Secretary and CFO

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax	86.01	157.59
Adjustment for		
Advances written off	5.49	3.09
Depreciation and amortisation	21.26	17.80
Finance costs	57.04	65.87
Diminution in value of investments	58.20	58.77
Loss on sale of assets	17.11	3.23
Property, plant and equipment written off	0.00	1.27
Centvat credit of service tax/ VAT written off	12.83	4.99
Trade payable balances written back	(29.71)	(15.73)
Proceeds from sale of investment	(0.15)	0.00
Interest on fixed deposit	(31.50)	(32.06)
Operating profit before working capital changes	196.58	264.82
Adjusted for		
Trade receivables	22.00	0.48
Other non-current financial assets	4.85	(1.20)
Other non-current assets	(43.05)	(122.62)
Cinematic and television content	104.59	163.03
Current trade receivables	(361.58)	178.28
Other financial assets	52.75	(84.91)
Current tax assets	(23.79)	(94.63)
Other current assets	(23.90)	56.98
Bank balance other than cash and cash equivalent	9.58	(9.44)
Non current trade payable	(17.63)	0.00
Current trade payables	(26.23)	105.31
Other current financial liabilities	(0.03)	(27.23)
Other current liabilities	249.00	73.21
Cash generated from operations	143.14	502.08
Direct taxes paid	0.00	0.00
Net cash flow from operating activities (A)	143.14	502.08
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to acquire property, plant and equipments	(177.34)	(18.40)
Proceeds from sale of property, plant and equipments	53.22	2.95
Proceeds from sale of investment	0.15	0.00
Interest on fixed deposit	31.50	32.06
Net cash from/ (used in) investing activities (B)	(92.47)	16.61
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non current borrowing	110.63	8.36
Repayment of non current borrowing	(60.41)	(10.98)
Proceeds from current borrowing	66.50	10.98
Repayment of current borrowing	(128.64)	(152.37)
Finance and other charges paid	(57.04)	(65.87)
Net cash from/ (used in) financing activities (C)	(68.96)	(209.88)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(18.29)	308.81
Cash and cash equivalents at the beginning of the financial year	310.52	1.71
Cash and cash equivalents at the end of the financial year	292.23	310.52

## Notes

- i. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.
- ii. Refer Note 17.1 for a reconciliation of changes in liabilities arising from financing activities
- iii. Figures in brackets represents deductions/ outflows.
- iv. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For BD Jokhakar and Co.  
Chartered AccountantsPramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019Udayan Bose  
Director  
DIN: 00004533Santosh Gharat  
Company Secretary and CFO

## STATEMENT OF CHANGES IN EQUITY

PRITISH NANDY COMMUNICATIONS LTD  
THE 26TH ANNUAL REPORT AND ACCOUNTS 2019

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## A. EQUITY SHARE CAPITAL

Equity shares of Face value of ₹ 10 each

(In ₹ lakh)

Year	Note No	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Financial Year 2017-18	15	1,446.70	0.00	1,446.70
Financial Year 2018-19	15	1,446.70	0.00	1,446.70

## B. OTHER EQUITY

(In ₹ lakh)

Particulars	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserves	Retained earnings	
As at March 31, 2017	0.37	6,719.59	220.98	(488.02)	6,452.92
Profit/ (Loss) for the year ended March 31, 2018	0.00	0.00	0.00	210.33	210.33
Other comprehensive income	0.00	0.00	0.00	(2.31)	(2.31)
Total comprehensive income for the year ended March 31, 2018	0.00	0.00	0.00	208.02	208.02
As at March 31, 2018	0.37	6,719.59	220.98	(280.00)	6,660.94
Profit/ (Loss) for the year ended March 31, 2019	0.00	0.00	0.00	93.84	93.84
Other comprehensive income	0.00	0.00	0.00	(3.01)	(3.01)
Total comprehensive income for the year ended March 31, 2019	0.00	0.00	0.00	90.83	90.83
As at March 31, 2019	0.37	6,719.59	220.98	(189.17)	6,751.77

As per our attached report of even date

For BD Jekhakar and Co.  
Chartered AccountantsPramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019Udayan Bose  
Director  
DIN: 00004533Santosh Gharat  
Company Secretary and CFO

## Corporate information

British Nandy Communications Limited ("the Company") is a public company incorporated and domiciled in India.

It was one of the first media and entertainment Company to go public in the year 2000, when it was listed on India's two best known stock exchanges, Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at 87/88 Mittal Chambers, Nariman Point, Mumbai 400021.

The Company is engaged in the business of production and exploitation of content including cinematographic films, TV serials and Digital Series etc. for worldwide exploitation in all formats.

These financial statements for the year ended March 31, 2019 were approved for issue by the Board of Directors on May 28, 2019.

## 1. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 1.1 Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'the Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared on accrual and going concern basis.

## 1.2 Historical cost convention

The Financial Statements have been prepared on a historical cost basis except for the following

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans: plan assets measured at fair value

## 1.3 Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest lakh, except when otherwise indicated.

## 1.4 Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the new amendments to Ind AS effective for annual periods beginning on or after April 1, 2019

Management has considered all amendments that are issued but not yet effective.

The amendments that are relevant to the Company are as below

## Ind AS 116- Leases

Ind AS 116 replaces Ind AS 17, "Leases" and has a significant impact on the accounting treatment of leases for lessees. Ind AS 116 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the term is 12 months or less or the underlying asset has a low value.

Ind AS 116 provides disclosure requirements to allow for information to be provided in the notes that, together with information in the balance sheet, statement of profit and loss and the statement of cash flows, gives a basis for users to assess the effect that leases have.

This standard is effective from April 1, 2019 and will be applied by the Company for the first time in the financial year 2019-20. The standard will affect the accounting for the Company's operating leases and arrangements containing a lease, which will result in right of use of assets and lease liabilities being recognised. The Company is in the process of evaluating the requirements of the amendment and hence the effect on the financial statements cannot be ascertained but management believes that same is not expected to be material.

## 1.5 Significant estimates, judgments and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the end of the financial statements and reported amounts of income and expenses during the year.

The management believes that these estimates are prudent and reasonable and are based on management's best knowledge of current events and actions. Actual results could differ from these estimates and difference between actual results and estimates are recognised in the period in which results are known or materialised.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes

- Measurement of defined benefit obligations
- Measurement and likelihood of occurrence of contingencies
- Recognition of deferred tax assets
- Inventory valuation/ useful life of cinematic content

## 1.6 Current and non-current classification

Operating cycle of the Company is ascertained as twelve months as per the criteria set out in Division II of Schedule III of the Act. Accordingly, all assets and liabilities have been classified as current or non-current.

## 2. Significant Accounting Policies

## 2.1 Property, plant and equipment

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit and loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment, if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

## Depreciation on property, plant and equipment

Depreciable amount for property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on the straight line method over the useful lives of assets as prescribed under para C of Schedule II of the Companies Act, 2013.

Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation till the date, the assets are sold or disposed off. Depreciation on improvement to leave and license premises is calculated over the period of leave and license.

The useful life is for the whole of the asset, except where cost of the part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("Component") is determined separately and the depreciable amount of the said Component is allocated on systematic basis to each accounting period during the useful life of the asset.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment on disposal is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is de-recognised.

## 2.2 Impairment of property, plant and equipment and intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment is recognised in statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price i.e. fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss section of the statement of profit and loss.

## 2.3 Leases

## As a lessee

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

Operating lease payments are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

## 2.4 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand and short term deposit with original maturity up to three months, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

## 2.5 Inventory

## a. Cinematic content

The cinematic content has been valued on the following basis

- Incomplete cinematic content : at lower of allocated/ identified cost or net realizable value.
- Abandoned cinematic content : at lower of cost or net realisable value.
- Completed cinematic content : at lower of unamortised allocated cost as estimated by the management depending on the genre, nature and contents of the cinematic content or net realizable value.

The Company allocates cost of production amongst music rights, rights other than music and residual rights and residual rights on an equitable basis.

## Basis of amortisation of allocated costs:

- Music rights are amortised at 100% on the basis of release of music/ exploitation contract.



II. All rights other than music and residual rights are amortised as under:

First release	Second release	Third release
50%	30%	20%

III. Residual rights are amortised on an equitable basis. The Company estimates useful life of the cinematic content at 20 years.

Notes

- i. The production/ acquiring costs are amortised on the above basis by the Company. The production costs are revenue costs and are treated as such for the purposes of taxation.
- ii. No unamortised costs are retained once the entire rights in respect of the cinematic content are sold out on an outright basis.

b. Television content

The television content has been valued on the following basis

- i. Unexploited television content : at lower of average of allocated cost or net realisable value.
- ii. Unfinished television content : at lower of average of allocated cost or net realisable value.
- iii. Production property : at lower of allocated cost or net realisable value.
- iv. Exploited television content is amortised at lower of unamortised cost as estimated by the management on the following basis or net realizable value

Particulars	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	Residual value
	Telecast	Telecast	Telecast	
Entertainment content	50%	30%	15%	5%
Current affairs and news based content	95%	-	-	5%
Commissioned content	100%	-	-	-

No unamortised costs shall be carried forward beyond a period of 10 years.

Notes

- i. The Company amortises production costs in respect of television content once telecast and further retelecastable on the basis of the nature and contents of the television content and the expected number of telecast as per the chart depicted above.
- ii. The production costs are amortised as per the above referred policy followed by the Company.
- iii. The Company retains one copy of its own television content for record purpose.

2.6 Financial Instruments

a. Financial assets: Classification

The Company classifies its financial assets in the following measurement categories

- i. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii. Those measured at amortised cost.

The classification depends on the business model of the Company for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in other comprehensive income or profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, method of recognition will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

b. Recognition and measurement

i. Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. In the case of financial assets not recorded at fair value through profit or loss, financial assets are recognised initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

ii. Subsequent measurement

After initial recognition, financial assets are measured at

- I. Financial assets carried at amortised cost
- II. Financial assets at fair value through other comprehensive income
- III. Financial assets at fair value through profit and loss;

c. Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- i. Measured at amortised cost

Financial assets that are held for collection of contractual cash flow where those cash flows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the Effective Interest Rate (EIR) method. The amortisation of EIR and loss arising from impairment, if any is recognised in the statement of profit and loss.

ii. Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income (FVTOCI).

Fair value movements are recognised in the other comprehensive income. Interest income measured using the EIR method and impairment losses, if any, are recognised in the statement of profit and loss.

On de-recognition, cumulative gain/ (loss) previously recognised in other comprehensive income is reclassified from the equity to other income in the statement of profit and loss.

iii. Measured at Fair Value Through Profit or Loss (FVTPL)

A financial asset not classified as either amortised cost or FVTOCI, is classified as Fair Value through Profit or Loss (FVTPL). Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the statement of profit and loss.

d. Equity instruments

The Company subsequently measures all investments in equity instruments other than those in subsidiaries, at fair value. The management of the Company has elected to present fair value gains and losses on such equity investments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the statement of profit and loss.

Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Investment in subsidiaries are carried at cost less impairment loss in accordance with Ind AS 27 on "Separate Financial Statements".

e. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVTOCI. Note 45 details how the Company assesses the impairment losses.

For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

f. De-recognition of financial assets

A financial asset is de-recognised only when the Company

- i. has transferred the rights to receive cash flows from the financial asset or
- ii. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised through statement of statement of profit and loss or other comprehensive income as applicable.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

g. Financial liabilities

i. Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are Measured At Fair Value With All Changes In Fair Value Recognised In The Statement Of Profit And Loss.

## iv. De-recognition

A financial liability is de-recognised when the obligation specified in the contracts discharged, cancelled or expires.

## h. Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.7 Borrowings and borrowing costs

## Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contracts discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and consideration paid, including non cash asset transferred or liabilities assumed, is recognised as profit or loss as other income/ (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## 2.8 Revenue recognition Ind AS 115

The Company derives revenues primarily from sale of owned content and commissioned content.

Effective from April 1, 2018, The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provides a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised content to customers in an amount that reflects the consideration the Company expects to receive in exchange for those contents.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The following criteria are applied by the Company in respect of various components of revenue

Content produced/ acquired	Criteria for revenue recognition
a. Commissioned content	On the date of delivery of contracted deliverables.
b. Sponsored content	When the relevant content is delivered.
c. Cinematic content	
i. Under production	No income is recognised.
ii. Complete but not released	To the extent of so much of the estimated income on release as bears to the whole of the estimated income in the same proportion as the actual recoveries/ realisations/ confirmed contracts bear to the total expected realisations.
iii. Completed and released during the year	On release/ delivery of release prints except income, if any, already recognised as c (ii) above
iv. Complete but not released other than theatrical release	On the basis of contracts/ deal memo and delivery of deliverables.
d. Music rights	On its release or exploitation contract.
Other income	Revenue recognition
Interest income	On accrual basis, using the effective interest method for financial assets measured at amortised cost and at FVTOCI.

## 2.9 Income tax

Tax expense comprises of current and deferred tax.

## a. Current tax

Current tax is the amount of income tax payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised 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 at the balance sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax is recognised in the statement of profit and loss except to the extent that the tax relates to items recognised directly in other comprehensive income or directly in equity.

## b. Deferred tax

Deferred tax assets and liabilities are recognised using the balance sheet approach 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 tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

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

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

## c. Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax.

MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.10 Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss (excluding other comprehensive income) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributed tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders is adjusted for after income tax effect of interest and other finance costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.11 Foreign currency transactions

## a. Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

## b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at closing rates.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

Foreign exchange gain/ (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain/ (loss) are presented in the statement of profit and loss on a net basis within other income/ (expense).

## 2.12 Employee benefits: Retirement and other employee benefits

## a. Short-term employee benefits

All employee benefits are payable within 12 months of service such as salaries, wages, bonus, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations.

Termination benefits are recognised as and when expense is incurred. Short term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by the employees. Compensation payable under voluntary retirement scheme is charged to the statement of profit and loss in the year of settlement.

b. Defined contribution plan

The Company's contributions paid or payable during the year to the provident fund are charged to the statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

c. Defined benefit plans

The Company contributes to Employees Group Saving Linked Insurance Scheme with Life Insurance Corporation of India to cover its liability towards employee gratuity. The expense is recognised at the present value of the amount payable determined using actuarial gratuity report.

Gratuity liability is a defined benefit obligation and is computed on the basis of present value of amount payable determined using actuarial valuation techniques as per projected unit credit method at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

It is recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services.

d. Other long term employment benefits

Re-measurement cost of net defined benefit liability, which comprises of actuarial gain and losses, return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur. The Company does not have any policy for leave encashment.

2.13 Provisions, contingent liabilities

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Company consists of the Wholtime Director who assesses the financial performance and position of the Company, and makes strategic decisions. Refer Note 44 for segment information presented.

3 PROPERTY, PLANT AND EQUIPMENT

(In ₹ lakh)

Particulars	Furniture and fixtures	Vehicles	Office equipment	Computer, printer and software	Total
Gross carrying value, at cost					
As at March 31, 2017	4.75	130.08	24.81	23.67	183.31
Additions during the year 2017-18	0.00	11.21	5.68	1.51	18.40
Disposal/ transfer during the year 2017-18	1.89	14.91	18.45	5.32	40.57
As at March 31, 2018	2.86	126.38	12.04	19.86	161.14
Additions during the year 2018-19	0.00	171.15	3.73	2.44	177.32
Disposal/ transfer during the year 2018-19	0.00	108.47	0.00	0.00	108.47
As at March 31, 2019	2.86	189.06	15.77	22.30	229.99
Accumulated depreciation/amortisation					
As at March 31, 2017	2.76	21.74	20.91	20.80	66.21
Charges for the year 2017-18	0.28	15.01	1.68	0.83	17.80
Disposal/ transfer during the year 2017-18	1.80	8.86	17.41	5.05	33.12
As at March 31, 2018	1.24	27.89	5.18	16.58	50.89
Charges for the year 2018-19	0.30	17.11	2.28	1.57	21.26
Disposal/ transfer during the year 2018-19	0.00	38.15	0.00	0.00	38.15
As at March 31, 2019	1.54	6.85	7.46	18.15	34.00
Net book value					
As at March 31, 2019	1.32	182.21	8.31	4.15	195.99
As at March 31, 2018	1.62	98.49	6.86	3.28	110.25

4. NON CURRENT INVESTMENT

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments		
Investments measured at fair value through other comprehensive income		
a. Quoted		
Moving Picture Company (India) Limited		
Nil (PY: 95,000) equity shares (Face value ₹ 10)	0.00	66.50
Less: Impairment in the value of investment	0.00	(66.50)
	<u>0.00</u>	<u>0.00</u>
b. Unquoted		
Investments carried at cost		
i. Wholly owned subsidiary		
PNC Wellness Ltd		
660,000 (PY: 660,000) equity shares (Face value ₹ 10)	291.00	291.00
Less: Impairment in the value of investment till beginning of the year	(116.40)	(58.20)
Less: Impairment in the value of investment for current year	(58.20)	(58.20)
Total (i)	<u>116.40</u>	<u>174.60</u>
ii. In Subsidiaries		
PNC Digital Ltd		
498,900 (PY: 498,900) equity shares (Face value ₹ 10) (Extent of holding 99.78%)	90.20	90.20
Less: Impairment in the value of investment till beginning of the year	(20.00)	(20.00)
Less: Impairment in the value of investment for current year	0.00	0.00
Total (ii)	<u>70.20</u>	<u>70.20</u>
Total (i+ii)	<u>186.60</u>	<u>244.80</u>
Total (a+b)	<u>186.60</u>	<u>244.80</u>
Aggregate amount of quoted investments and market value thereof	0.00	0.00
Aggregate amount of unquoted investments	186.60	244.80
Aggregate amount of impairment in the value of investments	(194.60)	(202.90)

5. TRADE RECEIVABLES

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	43.48	65.48
Total	<u>43.48</u>	<u>65.48</u>

6. OTHER FINANCIAL ASSETS

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a. Security deposits for utilities and premises		
Unsecured, considered good	20.89	25.75
b. Others	1,121.65	1,121.65
Total	<u>1,142.54</u>	<u>1,147.40</u>

7. INCOME TAX ASSETS (NET)

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax	81.95	85.39
Total	<u>81.95</u>	<u>85.39</u>

## 8. OTHER NON CURRENT ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Other advances		
a. i. Balance with government authority	17.17	30.00
ii. Other receivable		
Deferred rent expenses	4.49	1.24
Total (a)	21.66	31.24
b. Advance for content	1,823.37	1,772.30
Total (b)	1,823.37	1,772.30
Total (a + b)	1,845.03	1,803.54

## 9. INVENTORIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Cinematic and television content		
Unamortised content	4,163.54	4,232.38
Unexploited content	1,504.86	1,476.90
Unfinished content	30.00	93.71
Total	5,698.40	5,802.99

\* Refer Note 2.5 (a) and (b) of accounting policies for method of valuation

## 10. TRADE RECEIVABLES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	419.93	58.35
Total	419.93	58.35

## 11. CASH AND CASH EQUIVALENTS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
a. Balances with banks		
In current accounts	292.19	310.48
b. Cash on hand	0.04	0.04
Total	292.23	310.52

## 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity of more than three months but less than twelve months	458.32	467.74
Balances with banks (Non-operative)	0.10	0.26
Total	458.42	468.00

## 13. OTHER FINANCIAL ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
a. Security deposits	0.96	0.96
b. Advances to related parties	18.93	16.88
c. Others	42.82	103.11
Total	62.71	120.95

## 14. OTHER CURRENT ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
a. Other advances	5.08	4.59
b. Prepaid expense	20.17	12.58
c. Deferred expenses rent	1.56	0.00
Total	26.81	17.17

## 15. EQUITY SHARE CAPITAL

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Authorised		
20,000,000 (PY : 20,000,000) equity shares of ₹10 each	2,000.00	2,000.00
Total	2,000.00	2,000.00
Issued, Subscribed and fully paid		
14,467,000 (PY : 14,467,000) Equity shares of ₹ 10 each	1,446.70	1,446.70
Total	1,446.70	1,446.70

## 15.1 Reconciliation of number of shares (Equity)

	(In ₹ lakh, except number of shares data)			
	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	14,467,000	1,446.70	14,467,000	1,446.70
Outstanding as at the end of the year	14,467,000	1,446.70	14,467,000	1,446.70

## 15.2 Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

The equity shares are entitled to dividend proposed by Board of Directors subject to approval of the share holders in the Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, holder of equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their share holding.

## 15.3 Shareholders holding more than 5 per cent of total equity shares of company

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% held	Number of shares	% held
Pritish Nandy	2,952,197	20.41	2,952,197	20.41
Kamal M. Morarka	1,495,659	10.34	1,495,659	10.34
Gannon Dunkerley Finance Ltd	1,402,842	9.70	1,402,842	9.70
Artinvest India Pvt Ltd	1,394,789	9.64	1,394,789	9.64
Ideas.com India Pvt Ltd	1,210,565	8.37	703,443	4.86

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## 16. OTHER EQUITY

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Capital reserve		
Balance at beginning of the year	0.37	0.37
Balance at the end of the year	0.37	0.37
Securities premium		
Balance at the beginning of the year	6,719.59	6,719.59
Balance at the end of the year	6,719.59	6,719.59
General reserves		
Balance at the beginning of the year	220.98	220.98
Balance at the end of the year	220.98	220.98
Retained earnings		
Balance at the beginning of the year	(280.00)	(488.02)
Add: Profit/ (loss) for the year	93.84	210.33
Add: Other comprehensive income	(3.01)	(2.31)
Balance at end of year	(189.17)	(280.00)
TOTAL	6,751.77	6,660.94

## Nature and purpose of other reserve

- Capital Reserve  
This represents profit earned by the Company before receipt of incorporation certificate.
- Securities premium  
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013
- General reserve  
General reserve represents the amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956.
- Retained earnings  
Retained earnings are the profits that company has earned till date, less any transfer to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.



17. BORROWINGS

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Secured		
Term loans		
From other than banks		
a. Loan from Kotak Mahindra Prime Limited	6.79	9.69
Secured against the hypothecation of vehicles		
b. Loan from BMW Financial Services	106.07	52.95
Secured against the hypothecation of vehicles		
Total	112.86	62.64

17.1

Particulars	No. of instalments	Rate of interest	EMI (₹)	Amount outstanding (in ₹ lakh)	Payable upto
a. Kotak Mahindra Prime Ltd					
Loan 1	36	9.22%	17,354	5.58	April 2020
Loan 2	36	9.22%	13,080	4.10	March 2020
b. BMW Financial Services					
Loan 1	36	8.99%	46,990	27.72	October 2022
Loan 2	36	9.50%	64,476	45.00	March 2023
Loan 3	36	9.50%	62,779	44.00	March 2023

17.2 Amendment to Ind AS 7

Amendment to Ind AS 7 effective from April 1, 2017 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet disclosure requirement. Accordingly, the Company has given the said disclosure as below:

(In ₹ lakh)

Particulars	Note No	Opening balance as on April 1, 2018	Financing cash flow changes	Non cash flow changes		Closing balance as on March 31, 2019
				Effect of changes in foreign exchange rates	Effect of effective interest rate and others	
Non-current liabilities						
Borrowings	17	62.64	50.22	0.00	0.00	112.86
Current Liabilities						
Borrowings	21 and 23	370.79	(62.14)	0.00	0.00	308.65
Interest expense and other borrowing costs	30	0.00	57.04	0.00	0.00	57.04
Interest expense and other borrowing costs paid		0.00	(57.04)	0.00	0.00	(57.04)
Total		433.43	(11.92)	0.00	0.00	421.51

18. TRADE PAYABLES

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Total outstanding dues to micro and small enterprises*	0.00	0.00
Total outstanding dues to creditors other than micro and small enterprises	150.94	168.57
Total	150.94	168.57

\* Refer Note 35 for Micro, Small and Medium Enterprises disclosures

19. OTHER FINANCIAL LIABILITIES

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Advances	31.62	31.62
Total	31.62	31.62

20. DEFERRED TAX LIABILITIES (NET)

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
a. Deferred tax liabilities		
Depreciation on property, plant and equipment	(11.26)	(21.35)
Total (a)	(11.26)	(21.35)
b. Reversal of deferred tax (assets)/ liabilities		
Unamortised content	1,152.49	1,177.16
Diminution in the value of investments	(50.60)	(30.12)
Total (b)	1,101.89	1,147.04
Total (a+b)	1,090.63	1,125.69

21. BORROWINGS

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Secured		
Loans repayable on demand		
From banks*	295.11	361.08
(Exclusive charge on all current assets and movable fixed assets, both present and future.)		
Total	295.11	361.08

\*Refer Note 17.2 of notes to the financial statements

22. TRADE PAYABLE

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Total outstanding dues to micro and small enterprises*	0.00	0.00
Total outstanding dues to creditors other than micro and small enterprises	84.43	129.12
Total	84.43	129.12

\* Refer Note 35 of notes to the financial statements for Micro, Small and Medium Enterprises disclosures

23. OTHER FINANCIAL LIABILITIES

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Unsecured, considered good		
a. Current maturity of long term debt*	13.54	9.71
b. Others		
Amount payable to related parties	10.19	10.22
Total	23.73	19.93

\*Refer Note 17.2 of notes to the financial statements

24. OTHER CURRENT LIABILITIES

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
a. Revenue received in advance	125.00	0.00
b. Other Advances	11.25	11.25
c. Others		
Statutory dues	110.42	48.07
Amount payable for projects and assignments	219.63	169.23
Total	466.30	228.55

25. REVENUE FROM OPERATIONS

(In ₹ lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Sale of owned content	210.22	405.33
Income from commissioned content	1,294.05	1,550.21
Total	1,504.27	1,955.54

25.1 Revenue from contract with customers disaggregated based on geography

(In ₹ lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Domestic	1,457.86	1,953.76
Export	46.41	1.78
Total	1,504.27	1,955.54

## 25.2 Revenue recognised from contract liability (Advances from customers)

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing contract liability	125.00	NA
Total	125.00	NA

There is no closing contract liability (advances) as on March 31, 2018 (beginning of the current year).

## 26. OTHER INCOME

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Interest income	34.73	33.86
b. Miscellaneous income	29.91	15.81
Total	64.64	49.67

## 27. COST OF CONTENT

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost of the content	837.82	1,202.51
Total	837.82	1,202.51

## 28. CHANGES IN INVENTORIES OF CONTENT

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance		
Unamortised content	4,232.38	4,459.12
Unexploited content	1,476.90	1,476.90
Unfinished content	93.71	30.00
Total (A)	5,802.99	5,966.02
Closing balance		
Unamortised content	4,163.54	4,232.38
Unexploited content	1,504.86	1,476.90
Unfinished content	30.00	93.71
Total (B)	5,698.40	5,802.99
Net (increase)/ decrease (A-B)	104.59	163.03

## 29. EMPLOYEE BENEFITS EXPENSE

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries	145.78	109.86
Contribution to provident fund	0.48	0.00
Contribution to gratuity fund	1.82	1.54
Total	148.08	111.40

## 30. FINANCE COST

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	40.72	50.65
Other borrowing costs	16.32	15.22
Total	57.04	65.87

## 31. OTHER EXPENSES

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditor's remuneration (Refer Note 43)	4.55	4.12
Business promotion expenses	11.74	8.62
Rates and taxes	22.67	5.00
Communications expenses	2.93	2.42
Contract service expenses	27.03	43.53
Conveyance and motor car expenses	20.27	21.87
Directors' sitting fees	11.20	13.20
Insurance	3.24	3.01
Interest on statutory dues	2.51	0.06
Legal and professional expenses	22.14	11.68
Loss on sale of assets	17.11	3.23
Rent	66.44	68.91
Traveling expenses	5.72	6.01
Establishment and administrative expenses	38.36	36.58
Impairment in the value of investments	58.20	58.77
Total	314.11	287.01

## 32. CONTINGENT LIABILITIES

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts in respects of		
a. VAT liability	68.97	84.40
b. Other claims *	1,501.00	1,501.00
Total	1,569.97	1,585.40

\* Refer Note 39

The above matters are currently being considered by the tax authorities/ various forums and the Company expects the outcome will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgment/ decision pending with tax authorities/ various forums.

## 33. EMPLOYEE BENEFITS

## Defined benefit plan

Group gratuity liability is recognised on the basis of gratuity report provided by Actuary.

The disclosures as required under the Indian Accounting Standard (Ind AS 19) in respect of gratuity, is as follows

Every employee is entitled to a benefit equivalent to 15 days salary drawn for each completed year of service in line with the Payment and Gratuity Act, 1972 or Company scheme, whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service

## a. Expenses recognised in statement of profit or loss

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	2.17	1.87
Net Interest cost	(0.35)	(0.33)
Total	1.82	1.54

## b. Expenses recognised in other comprehensive income (OCI)

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses recognised in other comprehensive income (OCI)		
Actuarial (gains)/ losses on obligation for the period	3.23	2.73
Return on plan assets excluding interest income	(0.22)	(0.42)
Total	3.01	2.31

## c. Reconciliation of defined benefit obligation

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation at the beginning of the year	55.72	47.60
Current service cost	2.17	1.88
Interest cost	4.39	3.52
Actuarial (gain)/ loss due to change in financial assumptions	0.41	(1.51)
Actuarial (gain)/ loss on obligation - due to experience adjustments	2.83	4.23
Defined benefit obligation at the end of year	65.52	55.72

## d. Reconciliation of plan assets

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the beginning of the year	60.22	52.13
Interest income	4.74	3.85
Employers contribution	5.32	3.82
Return on plan assets, excluding interest income	0.22	0.42
Fair value of plan assets at the end of the year	70.50	60.22

## e. Net asset/ (liability) recognised in the balance sheet as at March 31, 2019

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of defined benefit obligation (DBO)	(65.52)	(55.72)
Fair value of plan assets	70.50	60.22
Net asset/ (liability)	4.98	4.50

f. The significant actuarial assumptions were as follows:

(In ₹ lakh)

Actuarial assumption	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.76%	7.88%
Attrition rate	2.00%	2.00%
Salary escalation rate	7.00%	7.00%
Rate of return on plan assets	7.76%	7.88%

#### Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

(In ₹ lakh)

Sensitivity analysis	For the year ended March 31, 2019	For the year ended March 31, 2018
Projected benefit obligation on current assumptions	65.52	55.72
Delta effect of +1% change in rate of discounting	(3.22)	(2.77)
Delta effect of -1% change in rate of discounting	3.71	3.19
Delta effect of +1% change in rate of salary increase	1.98	1.58
Delta effect of -1% change in rate of salary increase	(1.77)	(1.44)
Delta effect of +1% change in rate of employee turnover	1.78	1.62
Delta effect of -1% change in rate of employee turnover	(1.97)	(1.81)

#### Note

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior year.

Maturity analysis of the benefit payments: from the fund

(In ₹ lakh)

Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2019	For the year ended March 31, 2018
1 <sup>st</sup> following year	33.01	21.24
2 <sup>nd</sup> following year	1.32	1.31
3 <sup>rd</sup> following year	1.37	11.87
4 <sup>th</sup> following year	1.39	1.11
5 <sup>th</sup> following year	1.43	1.14
Sum of years 6 to 10	19.40	6.29
Sum of years 11 and above	59.15	58.40

#### Notes

Gratuity is payable as per Company's scheme as detailed in the report.

Actuarial gains/ losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are considered as advised by the Company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

Average expected future service represents estimated term of post - employment benefit obligation.

Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

#### Investment details

The Company made annual contribution to LIC of India of an amount advised by them. The Company was not informed by LIC of the Investments made or the break down of plan assets by investment type.

g. Risk exposure

Gratuity is a defined benefit plan and company is exposed to number of risks, the most significant of which are detailed below:

#### Interest rate risk

A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

#### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

#### Asset Liability Matching (ALM) risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

#### Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

### 34. RELATED PARTY DISCLOSURES

Details relating to related parties/ persons and description of relationship are as under

Name of the related party	Description of relationship
a. Subsidiaries	
i. PNC Digital Ltd	Subsidiary of the Company
ii. PNC Wellness Ltd	Subsidiary of the Company
b. Key Management Personnel	
i. Pallab Bhattacharya	Wholtime Director and CEO
ii. Rangita Pritish Nandy	Creative Director
iii. Santosh Gharat	Company Secretary and CFO
c. Non-executive Directors and their relatives	
i. Pritish Nandy	Non Executive Chairman
ii. Rina Pritish Nandy	Non Executive Director
iii. Udayan Bose	Non Executive, Independent Director
iv. Nabankur Gupta	Non Executive, Independent Director (up to December 7, 2018)
v. Raghu Palat	Non Executive, Independent Director
vi. Hema Malini	Non Executive, Independent Director
vii. Pradeep Guha	Non Executive, Independent Director (w.e.f. February 28, 2019)
viii. Ishita Pritish Nandy	Daughter of Non Executive Chairman
d. Close Family members of Key Management Personnel	
Rina Pritish Nandy	Mother of Rangita Nandy
Pritish Nandy	Father of Rangita Nandy
Ishita Pritish Nandy	Sister of Rangita Nandy

Details of transactions between the Company and other related parties as disclosed below

(In ₹ lakh)

Nature of relation	Nature of transaction	As at March 31, 2019	As at March 31, 2018
Subsidiaries	Opening balance-receivable/ (payable)	6.65	(4.87)
	Advance paid back	0.03	4.64
	Advance given	2.06	6.88
	Balance outstanding as at year end receivable/ (payable)	8.74	6.65
Key management personnel	Remuneration / reimbursement	57.12	62.17
	Balance outstanding as at year end receivable/ (payable)	(5.24)	(3.92)
Non-executive directors and their relatives	Remuneration	41.05	40.62
	Reimbursement / Sitting fees		
	Professional fees	96.00	96.00
	Balance outstanding at year end receivable/ (payable)	(222.25)	(171.20)

Transactions with related parties have been done at arm's length and are in the ordinary course of business.

### 35. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act are NIL as given below. This information has been relied upon by the auditor.

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	NIL	NIL
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	NIL	NIL
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

## 36. INVESTMENT IN SUBSIDIARIES

## a. PNC Wellness Ltd

The Company has an investment of ₹ 116.40 lakh (PY ₹ 174.60 lakh) in equity shares of wholly owned subsidiary viz PNC Wellness Ltd. The net worth of this subsidiary is ₹ 33.42 lakh as on March 31, 2019. There was no revenue generation by this subsidiary during the year under review. This Subsidiary, which owns several wellness brands like Moksh and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. is exploring avenues to commercialise its aforesaid brands. This subsidiary is in the process of realigning its business by making efforts to commercialise and lease its various brands through collaborative arrangements with other parties. The Company is facilitating and supporting the revival of this subsidiary's business. Considering that there was no revenue generation during the year under review the management has made provision for diminution in value of investment in this subsidiary by 1/5<sup>th</sup> of its book value and considers the retained book value as fully realizable. No further provision is made for the diminution in book value of investment which is considered as temporary.

## b. PNC Digital Ltd

The Company has an investment of ₹ 70.20 lakh (PY ₹ 70.20 lakh) in equity shares of subsidiary viz PNC Digital Ltd. The net worth of this subsidiary is ₹ 7.56 lakh as on March 31, 2019. The Company has agreed to provide its films to this subsidiary to explore revenue opportunities on the digital platform and exploit it to its commercial advantage but this subsidiary was not able to generate income from its operational activities in the year gone by. This subsidiary will continue its efforts in future. In view of the fact that this subsidiary has unfettered access to the film content of the holding company and requires no additional substantive capital deployment to generate revenue no provision for diminution in value of investment, which is considered temporary, has been made in the accounts. This Company will leverage its market standing to facilitate other smaller production houses to gain access to large digital content distributors to facilitate them getting better prices and commercial terms for their content.

## 37. OPERATING LEASES (LESSEE)

## a. At the reporting date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

(In ₹ lakh)

Particulars	As at March, 31 2019	As at March, 31 2018
Lease rental charges for the year	65.71	68.91
Future Lease rental obligation payable (under non-cancellable lease)	0.00	0.00
Not later than one year	60.57	65.71
Later than one year but not later than five years	197.02	237.22
Later than five years	0.00	20.23

## b. The total of future minimum sublease payment expected to be received under non – cancellable subleases at the end of reporting period is NIL

## c. Lease payments recognised as an expense in the period in which it is incurred.

## 38. LEGAL PROCEEDINGS

a. The legal proceedings initiated by the Company for the recovery of ₹ 150 lakh which was given against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights. The management of the Company considers the same as good and fully recoverable. Legal opinion obtained by the Company supports this. Auditors have relied on the opinion and consequently no provision has been made in the accounts at this stage.

b. The Company has received an award of ₹ 352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹ 300 lakh by the Bombay High Court.

Proceedings are ongoing and in view of the same outstanding amount of ₹ 317.53 lakh is considered as fully recoverable and no provision made of any amount there against.

39. Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantee of ₹ 750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

## 40. INVENTORIES

In the absence of persuasive evidence, there is presumption that intangible assets have a useful life of 10 years. In respect of cinematic content, the Company has persuasive evidence that the useful life of cinematic content is over 20 years.

The management has considered the following factors viz. the expected usage of the asset by the enterprise, typical product life cycles, technical, technological or other types of obsolescence, expected actions by competitors or potential competitors, the level of maintenance expenditure required to obtain the expected future economic benefits from the asset, the period of control over the asset, the useful life of the asset and for reasons viz. shelf lives of movies have substantially increased since 2000, getting better value for longer lease in excess of ten years, emergence of channels dedicated only for featuring content more than ten years old, growth in the number of distribution channels, rapid multiplication of remaking, animation and versions etc., and hence is of the view that the useful life of the cinematic content is 20 years. Hence, amortisation of ₹ 2,368.40 lakh in respect of cinematic content having life of more than 10 years as on March 31, 2019, is not required to be made.

The details of cinematic and television content is as under:

(In ₹ lakh)

	Cinematic content	Television content	Total
Gross carrying amount as at April 1, 2018	20,681.17	8,193.21	28,874.38
Add: Additions during the year 2018-19	32.58	803.21	835.79
Total	20,713.75	8,996.42	29,710.17
Less: Amortised up to March 31, 2018	15,233.29	7,838.10	23,071.39
Less: Amortised during the year 2018-19	73.46	866.92	940.38
Total Amortised	15,306.75	8,705.02	24,011.77
Net carrying amount as at March 31, 2019	5,407.00	291.40	5,698.40

There is no individual content that is material to the financial statements of the Company as a whole.

There is no content whose title is restricted. The content is pledged to Yes Bank Ltd as security for working capital overdraft facility of ₹ 1,000.00 lakh.

The total cost of content as at March 31, 2019 is ₹ 5,698.40. Based on a review of estimates of future realisations taken as a whole, the management is of the view that future recoverable amount from content rights to be more than its carrying unamortised cost of content. Hence, no impairment/ write down is considered necessary on this account.

## 41. a. Reconciliation of tax expense

(In ₹ lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
i. Income tax expenses		
Current tax- in respect of the current year	26.26	20.00
Adjustments for current tax of prior periods	0.97	0.00
Deferred tax- in respect of the current year	(35.06)	(72.74)
Total	(7.83)	(52.74)
ii. Income tax recognised in other comprehensive income		
Remeasurements of the defined benefit plans	0.00	0.00
Total	(7.83)	(52.74)

## b. Deferred tax assets/ (liabilities)

(In ₹ lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	11.26	21.35
Unamortised content	(1,152.49)	(1,177.16)
Diminution in the value of investments	50.60	30.12
Total	(1,090.63)	(1,125.69)

## c. Reconciliation of deferred tax assets/ (liabilities) net

(In ₹ lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance	(1,125.69)	(1,198.43)
Deferred tax (charge)/ credit recognised in		
Statement of profit and loss	35.06	72.74
Recognised in retained earnings	0.00	0.00
Total	(1,090.63)	(1,125.69)

42. EARNING PER SHARE

Particulars	(In ₹ lakh, except otherwise stated)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax attributable to equity shareholders of the Company	93.84	210.33
Weighted average number of equity shares (numbers in lakh)	144.67	144.67
Basic and Diluted earning per share (amount in ₹)	0.65	1.45
Face value per equity share (amount in ₹)	10.00	10.00

43. AUDITORS REMUNERATION

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor		
Statutory audit	2.75	2.75
In other capacity		
Other services	1.80	1.37
Total	4.55	4.12

44. SEGMENT INFORMATION

The Company has presented data relating to its segments in its consolidated financial statements. Accordingly, in term of paragraph 4 of the Indian Accounting Standard (Ind AS 108) "Operating Segments", no disclosure related to its segments are presented in the standalone financial statements. The Company operates in only one segment i.e. content.

45. FINANCIAL INSTRUMENTS

a. Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- The fair values for long term security deposits given were calculated based on cash flows discounted using a current bank rate applicable to Company's deposits with the bankers. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by

Valuation technique

- Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.  
Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and  
Level 3 : inputs which are not based on observable market data

(In ₹ lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Values	Fair Value	Carrying Values	Fair Value
Financial assets				
Measured at amortised cost				
Trade receivables	463.41	463.41	123.83	123.83
Cash and bank balances	750.65	750.65	778.52	778.52
Other financial assets	1,205.25	1,205.25	1,268.35	1,268.35
Measured at FVTPL	0	0	0	0
Measured at FVTOCI	0	0	0	0
Total financial assets	2,419.31	2,419.31	2,170.70	2,170.70
Financial liabilities				
Measured at amortised cost				
Borrowings	407.97	407.97	423.72	423.72
Trade payable	235.37	235.37	297.69	297.69
Other financial liabilities	55.35	55.35	51.55	51.55
Total financial liabilities	698.69	698.69	772.96	772.96

b. Financial risk management objective and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquiring of PPE. The Company's principal financial assets include investments, trade and

other receivables, and cash and bank balances that derive directly from its operations.

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

i. Market risk

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

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

As variations in interest rate are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.

The Majority of the Company's revenue and expenses are in Indian Rupees. Company also operates internationally with miniscule business transacted in foreign currency namely US Dollar and Singapore Dollar. Management considers currency risk to be low and hence does not hedge its currency risk. As variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits given, investments and balances at bank.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are well established companies besides in few cases Company receives advances from customers.

The risk of default is assessed as low.

iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The table below summarises the maturity profile of the Company's financial liabilities as at March 31, 2019 based on contractual undiscounted payments:

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Carrying amount	698.69	772.96
Less than 12 months	403.27	510.13
More than 12 months	295.42	262.83

c. Capital risk management

Total equity includes capital reserve, securities premium, general reserve, retained earnings and share capital. Total debt includes current debt plus non-current debt.

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Total debt	421.51	433.43
Total equity	8,198.47	8,107.64
Debt – Equity ratio	0.05	0.05

46. There are no subsequent events up to the date of issue of this financial statements.

47. Previous year figures have been regrouped/ recast/ rearranged wherever necessary in order to confirm with the current year's presentation.

As per our attached report of even date  
For BD Jokhakar and Co.  
Chartered Accountants

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277

Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019

Udayan Bose  
Director  
DIN: 00004533

Santosh Gharat  
Company Secretary and CFO



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
The Members  
PRITISH NANDY COMMUNICATIONS LIMITED  
Report on the Audit of Consolidated Financial Statements  
OPINION

We have audited the accompanying consolidated financial statements of PRITISH NANDY COMMUNICATIONS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

## BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## EMPHASIS OF MATTER

We further draw attention to Note 37(a) on the consolidated financial statements which describe the facts related to the legal proceedings initiated by the Company for the recovery of an advance of ₹150 lakh. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the opinion and consequently the Company has not made provision of any amount there against.

We further draw attention to Note 37(b) on the consolidated financial statements which describes that the Company has received an award of ₹352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹300 lakh by the Bombay High Court. Proceedings are ongoing and in view of the same, outstanding of ₹317.53 lakh is considered as fully recoverable.

We further draw attention to Note 38 on the consolidated financial statements which describes the facts related to the arbitration proceedings initiated by the company against Prasar Bharati on account of wrongful encashment of bank guarantee of ₹750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

We further draw attention to Note 39 on the consolidated financial statements which relates to the retaining of deferred tax assets of ₹18.93 lakh created against the accumulated losses in the books by the subsidiary "PNC Wellness Ltd", in view of the plans of revival of business as described in the note.

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

## a. Valuation of Inventory – (as described in Note 9 and Note 2.5 of the consolidated financial statements)

## Description of key audit matter

Inventory includes Cinematic Content and Television Content. Cinematic Content includes Incomplete Cinematic content, Abandoned/ shelved cinematic content and Completed cinematic content. Television Content includes unexploited television content, unfinished television content, production property and exploited television content.

Considering the distinctiveness of each type of inventory, the industry in which the company is operating, and the peculiarity involved makes valuation a complex exercise. Additionally, the allocation of cost is done on the basis of genre, nature of the cinematic content involving significant judgments and estimates by the management. The value of the Company's Inventories as at March 31, 2019 amounts to ₹5,672.89 lakh, which is a significant component of the balance sheet. Therefore, we have considered it to be a key audit matter.

## Description of auditor's response

We have gained adequate understanding of the nature of inventories and applied the prescriptions given in Ind AS 2 in their context.

We analysed the valuation approaches adopted by management for each class of Inventories for their appropriateness. We also audited the methodology used by the Company and verified reasonableness of costs allocated and estimates applied by the Company including useful life of the content, implications of technological changes and other factors mention in Note 40 to the consolidated financial statements. Further we have reviewed the valuation carried out on the basis of the accounting policy including realizations made in the past and expectation of future potential to earn there from. Finally, the appropriateness and adequacy of the presentation and disclosure of Inventory in the financial statements was audited.

## b. Amortisation of Inventory – the Holding Company (as described in Note 2.5 and Note 40 of the consolidated financial statements)

## Description of key audit matter

Inventory of Company are intangible in nature. Determination of useful life of Intangible assets involves significant estimates by the management which involves the expected usage of the asset by the Company, product life cycles, technical, technological or other types of obsolescence, and various other factors mentioned in Note 40 to consolidated financial statements. Cost of inventory is divided into components such as music rights, rights other than music such as theatrical rights, satellite, others and residual rights. Each of these components of costs are amortised by the management over their respective estimated useful lives as described in Note 2.5 and Note 40 to the consolidated financial

statements.

Considering the significant estimates involved by the management and its complexity, we have considered it to be a key audit matter.

## Description of Auditor's response

Audit procedure included detailed review of rationale documented by the management for ascertaining useful life of intangible assets, basis of allocation of costs into different categories, basis of its amortization as per manner provided in Note 2.5 and Note 40 to consolidated financial statements. In addition, we also verified the industry practice, past trends, examined the transactions to ascertain that amortization is in accordance with accounting policy.

## c. Revenue Recognition - the Holding Company (as described in Note 2.8 and Note 25 of the consolidated financial statements)

## Description of key audit matter

Revenue (as disclosed in Note 25) from each stream of income is contracted uniquely based on number of factors. Costs incurred from conceptualisation onwards is typical to the industry and the company considering the uncertainty and measurability of eventual success of a project. There are often timing differences between when revenue/cost invoiced/incurred to when revenue/ cost is actually earned/ charged. The resultant bifurcation between accruals and deferrals are brought to account at each reporting date.

The accounting policies for revenue recognition are set out in Note 2.8 to the consolidated financial statements. This is considered to be a key audit matter due to significance of revenue in the statement of profit and loss and the complexity involved in the revenue cycle for determination of existence, accuracy and timing of revenue recognition.

## Description of Auditor's response

Audit procedure relating to existence, accuracy and timing of revenue recognition included reading the terms and conditions of contracts relating to different classes of contracts, examination of transactions, cut off procedures to check that revenue is accrued in the correct accounting period, review of controls and analytical procedures covering revenue, direct costs and margins for different revenue streams were audited amongst other things.

## d. Advance for Content – the Holding Company (as described in Note 8 of the consolidated financial statements)

## Description of key audit matter

Company carries out number of long-term in-house content development projects for which it incurs costs for title registration, advances to writers, pre-shoot expenses, advance for finalizing cast, professional fees etc. These amounts have different ageing depending on the progress of each project. These costs are classified as 'Advance for Content' amounting to ₹1,823.37 lakh as at March 31, 2019 which is a significant component of the balance sheet. Therefore, we have considered it to be a key audit matter.

## Description of Auditor's response

Audit procedure included understanding from the technical team about its realizable value, its future viability and management contention to continue with the project including considerations for write off / impairment based on future plans of the Company. We verify the existence of title in the name of the Company, the agreements, and obtaining confirmation for material amounts. Finally, the appropriateness and adequacy of the presentation and disclosure of Advance for Content in the financial statements was audited.

## OTHER INFORMATION

The Holding Company's Board of Directors is responsible for the other information. The Other information comprises the information included in the Chairman's Statement, Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with the financial statement of the subsidiaries to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be

expected to outweigh the public interest benefits of such communication.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report to the extent applicable 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 and Note 38 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For BD Jolkhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on consolidated financial statements of even date)

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Prithvi Nandy Communications Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of Holding Company and its subsidiary companies 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 Act.

#### AUDITOR'S 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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated 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.

#### OPINION

In our opinion, the Holding Company and its subsidiaries, incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For BD Jolkhakar and Co.  
Chartered Accountants  
Firm Registration number 104345W

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

		(In ₹ lakh)	
	Note No	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
Non-current assets			
a. Property, plant and equipment	3	195.99	110.25
b. Financial assets			
i. Investments	4	0.00	0.00
ii. Trade receivables	5	43.48	65.48
iii. Other financial assets	6	1,142.54	1,147.40
c. Income tax assets (net)	7	81.95	85.39
d. Other non-current assets	8	1,845.03	1,803.54
Total non current assets		<u>3,308.99</u>	<u>3,212.06</u>
<b>II. Current assets</b>			
a. Inventories	9	5,672.89	5,776.42
b. Financial assets			
i. Trade receivables	10	419.93	58.35
ii. Cash and cash equivalents	11	295.22	315.07
iii. Bank balances other than (ii) above	12	458.43	468.00
iv. Other financial assets	13	73.79	134.07
c. Other current assets	14	32.45	22.45
Total current assets		<u>6,952.71</u>	<u>6,774.36</u>
TOTAL ASSETS		<u>10,261.70</u>	<u>9,986.42</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	15	1,446.70	1,446.70
b. Other equity	16	6,536.60	6,442.08
Equity attributable to owners of holding company		<u>7,983.30</u>	<u>7,888.78</u>
Non controlling interest		0.08	0.08
Total Equity		<u>7,983.38</u>	<u>7,888.86</u>
<b>LIABILITIES</b>			
<b>I. Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	17	112.86	62.64
ii. Trade payables			
Total outstanding dues to Micro and small enterprises		0.00	0.00
Creditors other than micro and small enterprises	18	150.94	168.57
iii. Other financial liabilities	19	31.62	31.62
b. Deferred tax liabilities (net)	20	1,115.67	1,097.62
Total non-current liabilities		<u>1,411.09</u>	<u>1,360.45</u>
<b>II. Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	21	295.11	361.08
ii. Trade payables			
Total outstanding dues of Micro and small enterprises		0.00	0.00
Creditors other than micro and small enterprises	22	84.73	130.21
iii. Other financial liabilities	23	21.04	17.21
b. Other current liabilities	24	466.35	228.61
Total current liabilities		<u>867.23</u>	<u>737.11</u>
Total liabilities		<u>2,278.32</u>	<u>2,097.56</u>
TOTAL EQUITY AND LIABILITIES		<u>10,261.70</u>	<u>9,986.42</u>
Significant accounting policies and Notes to accounts form an integral part of financial statements	2 1 to 47		

As per our attached report of even date

For BD Johkakar and Co.  
Chartered AccountantsPramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019Udayan Bose  
Director  
DIN: 00004533Santosh Gharat  
Company Secretary and CFO

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

PRITISH NANDY COMMUNICATIONS LTD  
THE 26TH ANNUAL REPORT AND ACCOUNTS 2019

# 39

		(In ₹ lakh)	
	Note No	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
I. Revenue from operations	25	1,504.27	1,955.54
II. Other income	26	64.64	50.25
III. Total income (I+II)		<u>1,568.91</u>	<u>2,005.79</u>
<b>IV. EXPENSES</b>			
Cost of content	27	837.82	1,202.51
Changes in inventories of content	28	103.53	159.85
Employee benefits expense	29	148.08	111.40
Finance costs	30	57.04	65.87
Depreciation and amortisation expense	3	21.26	17.80
Other expenses	31	258.38	238.93
Total expenses (IV)		<u>1,426.11</u>	<u>1,796.36</u>
V. Profit/ (loss) before tax (III-IV)		142.80	209.43
<b>VI. Tax expense</b>			
Current tax		26.26	20.00
Deferred tax		18.04	(64.74)
Short/ (excess) provision for tax (earlier year)		0.97	0.00
Total Tax expense (VI)		<u>45.27</u>	<u>(44.74)</u>
VII. Profit/ (Loss) for the period (V-VI)		<u>97.53</u>	<u>254.17</u>
<b>VIII. Profit is attributable to</b>			
Owners of the company		97.53	254.16
Non-controlling interest		0.00	0.01
		<u>97.53</u>	<u>254.17</u>
<b>IX. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss (net of tax)		(3.01)	(2.31)
Other comprehensive income, net of tax (VIII)		<u>(3.01)</u>	<u>(2.31)</u>
<b>X. Other comprehensive income attributable to</b>			
Owners of the company		(3.01)	(2.31)
Non-controlling interest		0.00	0.00
		<u>(3.01)</u>	<u>(2.31)</u>
XI. Total comprehensive income for the period (VII+IX)		<u>94.52</u>	<u>251.86</u>
<b>XII. Total Comprehensive income is attributable to</b>			
Owners of the company		94.52	251.87
Non-controlling interest		0.00	0.01
		<u>94.52</u>	<u>251.86</u>
<b>XIII. Earnings per equity share (Face value of ₹ 10)</b>			
Basic and diluted	43	0.67	1.76
Significant Accounting Policies and	2		
Notes to accounts form an integral part of financial statements	1 to 47		

As per our attached report of even date  
For BD Johkakar and Co.  
Chartered Accountants

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277

Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019

Udayan Bose  
Director  
DIN: 00004533

Santosh Gharat  
Company Secretary and CFO

	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before taxes	142.80	209.43
Adjustment for		
Advances written off	5.49	3.09
Depreciation	21.26	17.80
Finance cost	57.04	65.87
Impairment loss allowance in value of investments	0.00	0.57
Loss on sale of assets	17.11	3.23
Fixed assets written off	0.00	1.27
Cenvat credit of service tax/ VAT written off	12.83	5.11
Sundry creditors balances written back	(29.71)	(16.32)
Proceeds from sale of investment	(0.15)	0.00
Interest on fixed deposit	(31.50)	(33.86)
Operating profit before working capital changes	195.17	256.19
Adjusted for		
Trade receivables non current	22.00	0.48
Other financial assets non current	4.86	(1.20)
Other non current assets	(41.49)	(122.62)
Trade receivables non current	(17.63)	0.00
Cinematic and television content	103.53	159.85
Trade receivables current	(361.58)	178.28
Other financial assets current	54.79	(78.03)
Bank balance other than cash and cash equivalent	9.57	(9.44)
Current tax assets	(23.79)	(94.62)
Other current assets	(25.82)	55.47
Trade payables current	(27.01)	105.58
Other financial liabilities current	0.00	(22.59)
Other current liabilities current	248.98	73.23
Cash generated from operations before taxes paid	141.58	500.58
Direct taxes paid	0.00	0.00
Net cash from/ (used in) operating activities (A)	141.58	500.58
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to acquire property, plant and equipments	(177.34)	(18.40)
Proceeds from sale of property, plant and equipments	53.22	2.95
Proceeds from sale of investment	0.15	0.00
Interest on fixed deposit	31.50	33.86
Net cash from/ (used in) investing activities (B)	(92.47)	18.41
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non current borrowing	110.63	8.36
Repayment of non current borrowing	(60.41)	0.00
Proceeds from current borrowing	66.50	0.00
Repayment of current borrowing	(128.64)	(152.37)
Repayment of preference shares	0.00	0.00
Finance and other charges paid	(57.04)	(65.87)
Net cash from/ (used in) financing activities (C)	(68.96)	(209.88)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(19.85)	309.11
Cash and cash equivalents at the beginning of the financial year	315.07	5.96
Cash and cash equivalents at the end of the financial year	295.22	315.07

## Notes

- i. The above consolidated statement of cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on statement of cash flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.
- ii. Refer Note 17.1 for a reconciliation of changes in liabilities arising from financing activities
- iii. Figures in brackets represents deductions/ outflows.
- iv. Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date

For BD Jokhakar and Co.  
Chartered AccountantsPramod Prabhudesai  
Partner  
Membership number 032992

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholtime Director and CEO  
DIN: 00008277Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019Udayan Bose  
Director  
DIN: 00004533Santosh Gharat  
Company Secretary and CFO

Mumbai, May 28, 2019



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PRITISH NANDY COMMUNICATIONS LTD  
THE 26TH ANNUAL REPORT AND ACCOUNTS 2019

# 41

## A. EQUITY SHARE CAPITAL

Equity shares of Face value of ₹ 10 each

(In ₹ lakh)

Year	Note No	Balance at the beginning of the reporting period	Changes in equity share capital during the period"	Balance at the end of the reporting period
Financial Year 2017-18	15	1,446.70	0.00	1,446.70
Financial Year 2018-19	15	1,446.70	0.00	1,446.70

## B. OTHER EQUITY

(In ₹ lakh)

Particulars	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserves	Retained earnings	
As at March 31, 2017	0.37	6,719.59	220.98	(750.73)	6,190.21
Profit/ (loss) for the year ended March 31, 2018	0.00	0.00	0.00	254.17	254.17
Other comprehensive income	0.00	0.00	0.00	(2.31)	(2.31)
Non-controlling interest	0.0	0.0	0.0	0.01	0.01
Total comprehensive income for the year	0.0	0.0	0.0	251.87	251.87
As at March 31, 2018	0.37	6,719.59	220.98	(498.86)	6,442.08
Profit/ (loss) for the year ended March 31, 2019	0.0	0.0	0.0	97.53	97.53
Other comprehensive income	0.0	0.0	0.0	(3.01)	(3.01)
Non-controlling interest	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the year	0.0	0.0	0.0	94.52	94.52
As at March 31, 2019	0.37	6,719.59	220.98	(404.34)	6,536.60

As per our attached report of even date

For BD Jokhakar and Co.  
Chartered Accountants

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277

Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019

Udayan Bose  
Director  
DIN: 00004533

Santosh Gharat  
Company Secretary and CFO

## Corporate information

Pritish Nandy Communications Limited ("the Holding Company") is a public company incorporated and domiciled in India. The Holding Company has its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group").

It was one of the first media and entertainment Company to go public in the year 2000, when it was listed on India's two best known stock exchanges, Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is situated at 87/88 Mittal Chambers, Nariman Point, Mumbai 400021.

The Company is engaged in the business of production and exploitation of content including cinematographic films, TV serials and Digital Series etc. for worldwide exploitation in all formats.

These Consolidated financial statements for the year ended March 31, 2019 were approved for issue by the Board of Directors on May 28, 2019.

## 1. Basis of preparation

The principal accounting policies applied in the preparation of these Consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## 1.1 Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'the Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Consolidated financial statements have been prepared on accrual and going concern basis.

## 1.2 Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis except for the following:

- i. Certain financial assets and liabilities that are measured at fair value
- ii. Defined benefit plans: plan assets measured at fair value

## 1.3 Rounding of amounts

The Consolidated financial statements are presented in INR and all values are rounded to the nearest lakh, except when otherwise indicated.

## 1.4 Principles of Consolidation and equity accounting:

## i. Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the consolidated statement of profit and loss, Consolidated Statement of changes in equity and consolidated balance sheet respectively.

## ii. Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Consolidated profit and loss.

## 1.5 Standards issued but not yet effective

On March 30, 2019, the Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the new amendments to Ind AS effective for annual periods beginning on or after April 1, 2019:

Management has considered all amendments that are issued but not yet effective.

The amendments that are relevant to the Company are as below:

## Ind AS 116- Leases

Ind AS 116 replaces Ind AS 17, "Leases" and has a significant impact on the accounting treatment of leases for lessees. Ind AS 116 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the term is 12 months or less or the underlying asset has a low value.

Ind AS 116 provides disclosure requirements to allow for information to be provided in the notes that, together with information in the consolidated balance sheet, consolidated statement

of profit and loss and the consolidated statement of cash flows, gives a basis for users to assess the effect that leases have.

The standard is effective April 1, 2019 and will be applied by the Company for the first time in the financial year 2019-20. The standard will affect the accounting for the Company's operating leases and arrangements containing a lease, which will result in right of use of assets and lease liabilities being recognised. The Company is in the process of evaluating the requirements of the amendment and hence the effect on the consolidated financial statements cannot be ascertained but management believes that same is not expected to be material.

## 1.6 Significant estimates, judgments and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the end of the consolidated financial statements and reported amounts of income and expenses during the year.

The management believes that these estimates are prudent and reasonable and are based on management's best knowledge of current events and actions. Actual results could differ from these estimates and difference between actual results and estimates are recognised in the period in which results are known or materialised.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes

- i. Measurement of defined benefit obligations
- ii. Measurement and likelihood of occurrence of contingencies
- iii. Recognition of deferred tax assets
- iv. Inventory valuation/ useful life of cinematic content

## 1.7 Current and non-current classification

Operating cycle of the Company is ascertained as twelve months as per the criteria set out in Division II of Schedule III of the Act. Accordingly all assets and liabilities have been classified as current or non-current.

## 2. Significant accounting policies

## 2.1 Property, plant and equipment

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Consolidated Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment, if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

## Depreciation on property, plant and equipment

Depreciable amount for property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided on the straight line method over the useful lives of assets as prescribed under para C of Schedule II of the Companies Act, 2013.

Depreciation is calculated on a pro-rata basis from the date of acquisition/ installation till the date, the assets are sold or disposed off. Depreciation on improvement to leave and license premises is calculated over the period of leave and license.

The useful life is for the whole of the asset, except where cost of the part of the asset insignificant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("Component") is determined separately and the depreciable amount of the said Component is allocated on systematic basis to each accounting period during the useful life of the asset.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted if appropriate.

The carrying amount of an item of property, plant and equipment is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment on disposal is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is de-recognised.

## 2.2 Impairment of property, plant and equipment and intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate there coverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment is recognised in consolidated statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price i.e. fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current assessment of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the reversal of the previously recognised impairment loss is recognised in profit or loss section of the consolidated statement of profit and loss.

2.3 Leases

As a lessee

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

Operating lease payments are recognised on straight line basis over the lease period in the consolidated statement of profit and loss account unless increase is on account of inflation.

2.4 Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at bank, cash in hand and short term deposit with original maturity up to three months, which are subject to insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above.

2.5 Inventory

a. Cinematic content

The cinematic content has been valued on the following basis

- i. Incomplete cinematic content : at lower of allocated/ identified cost or net realizable value.
- ii. Abandoned cinematic content : at lower of cost or net realisable value.
- iii. Completed cinematic content : at lower of unamortised allocated cost as estimated by the management depending on the genre, nature and contents of the cinematic content or net realizable value.

The Company allocates cost of production amongst music rights, rights other than music and residual rights and residual rights on an equitable basis.

Basis of amortisation of allocated costs:

- I. Music rights are amortised at 100% on the basis of release of music/ exploitation contract.
- II. All rights other than music and residual rights are amortised as under:

	First release	Second release	Third release
	50%	30%	20%

- III. Residual rights are amortised on an equitable basis. The Company estimates useful life of the cinematic content at 20 years.

Notes

- i. The production/ acquiring costs are amortised on the above basis by the Company. The production costs are revenue costs and are treated as such for the purposes of taxation.
- ii. No unamortised costs are retained once the entire rights in respect of the cinematic content are sold out on an outright basis.

b. Television content

The television content has been valued on the following basis

- i. Unexploited television content : at lower of average of allocated cost or net realizable value.
- ii. Unfinished television content : at lower of average of allocated cost or net realizable value.
- iii. Production property : at lower of allocated cost or net realizable value.
- iv. Exploited television content is amortised at lower of unamortised cost as estimated by the management on the following basis or net realizable value

Particulars	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	Residual value
	Telecast	Telecast	Telecast	
Entertainment content	50%	30%	15%	5%
Current affairs and news based content	95%	-	-	5%
Commissioned content	100%	-	-	-

No unamortised costs shall be carried forward beyond a period of 10 years.

Notes

- i. The Company amortises production costs in respect of television content once telecast and further retelecastable on the basis of the nature and contents of the television content and the expected number of telecast as per the chart depicted above.
- ii. The production costs are amortised as per the above referred policy followed by the Company.
- iii. The Company retains one copy of its own television content for record purpose.

2.6 Financial instruments

a. Financial assets: Classification

The Group classifies its financial assets in the following measurement categories:

- i. Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)
- ii. Those measured at amortised cost.

The classification depends on the business model of the Group for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Other Comprehensive Income or profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, method of recognition will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b. Recognition and measurement

i. Initial recognition

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. In the case of financial assets not recorded at fair value through profit or loss, financial assets are recognised initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

ii. Subsequent measurement

After initial recognition, financial assets are measured at

- i. Financial assets carried at amortised cost
- ii. Financial assets at fair value through other comprehensive income
- iii. Financial assets at fair value through profit and loss;

c. Debt instrument

Subsequent measurement of debt instruments depends on the Group's business model for managing the assets and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

i. Measured at amortised cost

Financial assets that are held for collection of contractual cash flow where those cashflows represent solely payment of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the Effective Interest Rate (EIR) method. The amortisation of EIR and loss arising from impairment, if any is recognised in the consolidated statement of profit and loss.

ii. Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income (FVTOCI).

Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any, are recognised in the consolidated statement of profit and loss.

On de-recognition, cumulative gain/ (loss) previously recognised in OCI is reclassified from the equity to other income in the consolidated statement of profit and loss.

iii. Measured at Fair Value Through Profit or Loss (FVTPL).

A financial asset not classified as either amortised cost or FVTOCI, is classified as Fair Value through Profit or Loss (FVTPL). Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the consolidated statement of profit and loss.

d. Equity instruments

The Group subsequently measures all investments in equity instruments other than those in subsidiary companies, at fair value. The management of the Group has elected to present fair value gains and losses on such equity investments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the consolidated statement of profit and loss.

Dividends from such investments continue to be recognised in the consolidated statement profit or loss as other income when the right to receive payment is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Investment in subsidiaries are carried at cost less impairment loss in accordance with Ind AS 27 on "Separate Consolidated financial statements".

e. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost and FVTOCI. Note 45 details how the Group assesses the impairment losses.

For trade and lease receivable only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

f. De-recognition of financial assets

A financial asset is de-recognised only when the Group

- i. has transferred the rights to receive cash flows from the financial asset or
- ii. retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised through statement of profit and loss or OCI as applicable.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

g. Financial liabilities

i. Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

iv. De-recognition

A financial liability is de-recognised when the obligation specified in the contracts discharged, cancelled or expires.

h. Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.7 Borrowings and borrowing costs

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Consolidated Profit and Loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contracts discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and consideration paid, including non cash asset transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss as other income/ (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.8 Revenue recognition Ind AS 115

The Company derives revenues primarily from sale of owned content and commissioned content.

Effective April 1, 2018, The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provides a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised content to customers in an amount that reflects the consideration the Company expects to receive in exchange for those contents.

Performance obligation may be satisfied over time or at a point in time. Performance obligations satisfied over time if any one of the following criteria is met. In such cases, revenue is recognised over time:

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance; or
- ii. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The following criteria are applied by the Company in respect of various components of revenue:

Content produced/ acquired	Criteria for Revenue recognition
a. Commissioned content	On the date of delivery of contracted deliverables.
b. Sponsored content	When the relevant content is delivered.
c. Cinematic content	
i. Under production	No income is recognised.
ii. Complete but not released	To the extent of so much of the estimated income on release as bears to the whole of the estimated income in the same proportion as the actual recoveries/ realisations/ confirmed contracts bear to the total expected realisations.
iii. Completed and released during the year	On release/ delivery of release prints except income, if any, already recognised as c (ii) above
iv. Complete but not released other than theatrical release	On the basis of contracts/ deal memo and delivery of deliverables.
d. Music rights	On its release or exploitation contract.
Other income	Revenue recognition
Interest income	On accrual basis, using the effective interest method for financial assets measured at amortised cost and at FVTOCI.

2.9

Income tax

Tax expense comprises of current and deferred tax.

a. Current tax

Current tax is the amount of income tax payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised 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 at the balance sheet date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax is recognised in the consolidated statement of profit and loss except to the extent that the tax relates to items recognised directly in other comprehensive income or directly in equity.

b. Deferred tax

Deferred tax assets and liabilities are recognised using the balance sheet approach for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

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

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences between the carrying and tax bases of investment in subsidiary companies where the Group is able

to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between carrying amount and tax bases of investments in subsidiary companies where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

c. Minimum alternate tax (MAT)

MAT paid in a year is charged to the consolidated statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.10 Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss attributable to the owners of Holding Company (excluding other comprehensive income) for the period attributable to equity shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributed tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to owners of Holding Company is adjusted for after income tax effect of interest and other finance costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.11 Foreign currency transactions

a. Functional and presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The consolidated financial statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at closing rates.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain/ (loss).

Foreign exchange gain/ (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gain/ (loss) are presented in the consolidated statement of profit and loss on a net basis within other income/ (expense).

c. Group Companies

The results and financial position of foreign operations (none of which has the currency of hyper inflationary economy that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. assets and liabilities are translated at the closing rate at the date of that balance sheet
- ii. income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative)
- iii. all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is disposed, the associated exchange differences are reclassified to the Consolidated Statement of Profit or loss, as a part of gain/ (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.12 Employee benefits: Retirement and other employee benefits

a. Short-term employee benefits

All employee benefits are payable within 12 months of service such as salaries, wages, bonus, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations.

Termination benefits are recognised as and when expense is incurred. Short term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by the employees. Compensation payable under voluntary retirement scheme is charged to the consolidated statement of profit and loss in the year of settlement.

b. Defined contribution plan

The Group's contributions paid or payable during the year to the provident fund

are charged to the consolidated statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services.

c. Defined benefit plans

The Group contributes to Employees Group Saving Linked Insurance Scheme with Life Insurance Corporation of India to cover its liability towards employee gratuity. The expense is recognised at the present value of the amount payable determined using actuarial gratuity report.

Gratuity liability is a defined benefit obligation and is computed on the basis of present value of amount payable determined using actuarial valuation techniques as per projected unit credit method at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

It is recognised as an expense in the consolidated statement of profit and loss for the year in which the employee has rendered services.

d. Other long term employment benefits

Re-measurement cost of net defined benefit liability, which comprises of actuarial gain and losses, return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur. The Group does not have any policy for leave encashment.

2.13 Provisions, contingent liabilities

The Group recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. Provisions are not recognised for future operating losses.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.14 Segment Reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker of the Group consists of the Wholetime Director who assesses the financial performance and position of the Group, and makes strategic decisions. Refer Note 41 for segment information presented.

3 PROPERTY, PLANT AND EQUIPMENT

(In ₹ lakh)

Particulars	Furniture and fixtures	Vehicles	Office equipment	Computer, printer and software	Total
Gross carrying value, at cost					
As at March 31, 2017	4.75	130.08	24.81	23.67	183.31
Additions during the year 2017-18	0.00	11.21	5.68	1.51	18.40
Disposal/ transfer during the year 2017-18	1.89	14.91	18.45	5.32	40.57
As at March 31, 2018	2.86	126.38	12.04	19.86	161.14
Additions during the year 2018-19	0.00	171.15	3.73	2.44	177.32
Disposal/ transfer during the year 2018-19	0.00	108.47	0.00	0.00	108.47
As at March 31, 2019	2.86	189.06	15.77	22.30	229.99
Accumulated depreciation/amortisation					
As at March 31, 2017	2.76	21.74	20.91	20.80	66.21
Charges for the year 2017-18	0.28	15.01	1.68	0.83	17.80
Disposal/ transfer during the year 2017-18	1.80	8.86	17.41	5.05	33.12
As at March 31, 2018	1.24	27.89	5.18	16.58	50.89
Charges for the year 2018-19	0.30	17.11	2.28	1.57	21.26
Disposal/ transfer during the year 2018-19	0.00	38.15	0.00	0.00	38.15
As at March 31, 2019	1.54	6.85	7.46	18.15	34.00
Net book value					
As at March 31, 2019	1.32	182.21	8.31	4.15	195.99
As at March 31, 2018	1.62	98.49	6.86	3.28	110.25



## 4. INVESTMENTS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments		
Investment measured at fair value through other comprehensive income		
Quoted		
Moving Picture Company (India) Ltd		
Nil (PY: 95,000) equity shares @ ₹ 70 each (Face value ₹ 10)	0.00	66.50
Less: Impairment in the value of investment	0.00	66.50
Total non-current investments	0.00	0.00
Aggregate amount of quoted investments and market value thereof	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of impairment in the value of investments	0.00	66.50

## 5. TRADE RECEIVABLES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	43.48	65.48
Total	43.48	65.48

## 6. OTHER FINANCIAL ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Security deposits for utilities and premises		
a. Unsecured, considered good	20.89	25.75
b. Others	1,121.65	1,121.65
Total	1,142.54	1,147.40

## 7. INCOME TAX ASSETS (NET)

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Income tax	81.95	85.39
Total	81.95	85.39

## 8. OTHER NON-CURRENT ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Other advances		
a. Balance with government authority	17.17	30.00
Other receivable		
Deferred rent expenses	4.49	1.24
Total (a)	21.66	31.24
b. Advance for content	1,823.37	1,772.30
Total (b)	1,823.37	1,772.30
Total (a + b)	1,845.03	1,803.54

## 9. INVENTORIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Cinematic and television content		
Unamortised content	4,138.03	4,205.81
Unexploited content	1,504.86	1,476.90
Unfinished content	30.00	93.71
Total	5,672.89	5,776.42

Refer Note 40 of financial statement and Note 2.6 (a) and (b) of accounting policies for method of valuation.

## 10. TRADE RECEIVABLES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	419.93	58.35
Total	419.93	58.35

## 11. CASH AND CASH EQUIVALENTS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current accounts	295.18	314.98
Cash on hand	0.04	0.09
Total	295.22	315.07

## 12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity between 3 to 12 months	458.33	467.74
Balances with banks (non-operative)	0.10	0.26
Total	458.43	468.00

## 13. OTHER FINANCIAL ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
a. Security deposits	30.96	30.96
b. Others advances	42.83	103.11
Total	73.79	134.07

## 14. OTHER CURRENT ASSETS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Advances other than capital advances		
Other advances	5.08	9.87
Balances with government authorities	5.64	0.00
Prepaid expense	20.17	12.58
Deferred rent expenses	1.56	0.00
Total	32.45	22.45

## 15. EQUITY SHARE CAPITAL

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Authorised shares		
20,000,000 (PY: 20,000,000) equity shares of ₹10 each	2,000.00	2,000.00
Total	2,000.00	2,000.00
Issued, subscribed and fully paid		
14,467,000 (PY: 14,467,000) equity shares of ₹10 each	1,446.70	1,446.70
Total	1,446.70	1,446.70

## 15.1 Reconciliation of number of shares (Equity)

	(In ₹ lakh, except number of shares data)			
	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding as at the beginning of the year	14,467,000	1,446.70	14,467,000	1,446.70
Outstanding as at the end of the year	14,467,000	1,446.70	14,467,000	1,446.70

## 15.2 Rights, preferences, restrictions of equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

The equity shares are entitled to dividend proposed by Board of Directors subject to approval of the share holders in the Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, holder of equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their share holding.

## 15.3 Shareholders holding more than 5 per cent of total equity shares of company

Name of the shareholders	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% held	Number of shares	% held
Pritish Nandy	2,952,197	20.41	2,952,197	20.41
Kamal M. Morarka	1,495,659	10.34	1,495,659	10.34
Gannon Dunkerley Finance Ltd	1,402,842	9.70	1,402,842	9.70
Artinvest India Pvt Ltd	1,394,789	9.64	1,394,789	9.64
Ideas.com India Pvt Ltd	1,210,565	8.37	703,443	4.86

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

16. OTHER EQUITY

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Capital reserve		
Balance at beginning of the year	0.37	0.37
Balance at the end of the year	0.37	0.37
Securities premium		
Balance at beginning of the year	6,719.59	6,719.59
Balance at the end of the year	6,719.59	6,719.59
General reserves (specify nature)		
Balance at beginning of the year	220.98	220.98
Balance at the end of the year	220.98	220.98
Retained earnings		
Balance at the beginning of the year	(498.86)	(750.73)
Add: profit/ (loss) for the year	97.53	254.17
Add: other comprehensive income	(3.01)	(2.31)
Add: share of non-controlling interest	0.00	0.01
Balance at the end of year	(404.34)	(498.86)
<b>TOTAL</b>	<b>6,536.60</b>	<b>6,442.08</b>

Nature and purpose of other reserve

- Capital reserve  
This represents profit earned by the Company before receipt of incorporation certificate.
- Securities premium  
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve  
General reserve represents the amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956.
- Retained earnings  
Retained earnings are the profits that company has earned till date, less any transfer to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.

17. BORROWINGS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Secured		
Term loans		
From other than banks		
a) Loan from Kotak Mahindra Prime Limited	6.79	9.69
Secured against the hypothecation of vehicles		
b) Loan from BMW Financial Services	106.07	52.95
Secured against the hypothecation of vehicles.		
<b>Total</b>	<b>112.86</b>	<b>62.64</b>

Particulars	No. of instalments	Rate of interest	EMI (₹)	Amount outstanding (in ₹ lakh)	Payable upto
Loan 1	36	9.22%	17,354	5.58	April 2020
Loan 2	36	9.22%	13,080	4.10	March 2020
b. BMW Financial Services					
Loan 1	36	8.99%	46,990	27.72	October 2022
Loan 2	36	9.50%	64,476	45.00	March 2023
Loan 3	36	9.50%	62,779	44.00	March 2023

17.2 Amendment to Ind AS 7

Amendment to Ind AS 7 effective from April 1, 2017 require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities, to meet disclosure requirement. Accordingly, the company has given the said disclosure as below:

(In ₹ lakh)

Particulars	Note No	Opening balance as on April 1, 2018	Financing cash flow changes	Non cash flow changes		Closing balance as on March 31, 2019
				Effect of changes in foreign exchange rates	Effect of effective interest rate and others	
Non-current liabilities						
Borrowings	17	62.64	50.22	0.00	0.00	112.86
Current Liabilities						
Borrowings	21 and 23	370.79	(62.14)	0.00	0.00	308.65
Interest expense and other borrowing costs	30	0.00	57.04	0.00	0.00	57.04
Interest expense and other borrowing costs paid		0.00	(57.04)	0.00	0.00	(57.04)
<b>Total</b>		<b>433.43</b>	<b>(11.92)</b>	<b>0.00</b>	<b>0.00</b>	<b>421.51</b>

18. TRADE PAYABLES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to micro and small enterprises*	0.00	0.00
Total outstanding dues to creditors other than micro and small enterprises	150.94	168.57
<b>Total</b>	<b>150.94</b>	<b>168.57</b>

\*Refer Note 35 of notes to the consolidated financial statements for Micro, Small and Medium Enterprises disclosures.

19. OTHER FINANCIAL LIABILITIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Advances	31.62	31.62
<b>Total</b>	<b>31.62</b>	<b>31.62</b>

20. DEFERRED TAX LIABILITIES (NET)

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Depreciation on property, plant and equipment	(11.26)	(17.72)
<b>Total (A)</b>	<b>(11.26)</b>	<b>(17.72)</b>
Reversal of deferred tax (assets)/ liabilities		
Unamortised content	1,145.86	1,161.34
Unabsorbed business loss	(18.93)	(45.85)
Diminution in the value of investments	0.00	(0.15)
<b>Total (B)</b>	<b>1,126.93</b>	<b>1,115.34</b>
<b>Total (A+B)</b>	<b>1,115.67</b>	<b>1,097.62</b>

21. BORROWINGS

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From banks*	295.11	361.08
(Exclusive charge on all current assets and movable fixed assets, both present and future.)		
<b>Total</b>	<b>295.11</b>	<b>361.08</b>

\*Refer Note 17.2 of notes to the consolidated financial statements

22. TRADE PAYABLES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues to micro and small enterprises*	0.00	0.00
Total outstanding dues to creditors other than micro and small enterprises	84.73	130.21
<b>Total</b>	<b>84.73</b>	<b>130.21</b>

\* Refer Note 35 of notes to the consolidated financial statements for Micro, Small and Medium Enterprises disclosures.

23. OTHER FINANCIAL LIABILITIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
a. Current maturity of long term debt*	13.54	9.71
b. Others	7.50	7.50
<b>Total</b>	<b>21.04</b>	<b>17.21</b>

\*Refer Note 17.2 of notes to the consolidated financial statements

24. OTHER CURRENT LIABILITIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
a. Revenue received in advance	125.00	0.00
b. Other advances	11.25	11.25
c. Others		
Statutory dues	110.47	48.13
Amount payable for projects and assignments	219.63	169.23
<b>Total</b>	<b>466.35</b>	<b>228.61</b>

## 25. REVENUE FROM OPERATIONS

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of owned content	210.22	405.33
Income from commissioned content	1,294.05	1,550.21
<b>Total</b>	<b>1,504.27</b>	<b>1,955.54</b>

## 25.1 Revenue from contract with customers disaggregated based on geography

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Domestic	1,457.86	1,953.76
Export	46.41	1.78
<b>Total</b>	<b>1,504.27</b>	<b>1,955.54</b>

## 25.2 Revenue recognised from contract liability (advances from customers)

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Closing contract liability	125.00	NA
<b>Total</b>	<b>125.00</b>	<b>NA</b>

There is no closing contract liability (advances) as on March 31, 2018 (beginning of the current year).

## 26. OTHER INCOME

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Interest income	34.73	33.86
b. Miscellaneous income	29.91	16.39
<b>Total</b>	<b>64.64</b>	<b>50.25</b>

## 27. COST OF CONTENT

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost of the content	837.82	1,202.51
<b>Total</b>	<b>837.82</b>	<b>1,202.51</b>

## 28. CHANGES IN INVENTORIES OF CONTENT

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance		
Unamortised content	4,205.81	4,429.37
Unexploited content	1,476.90	1,476.90
Unfinished content	93.71	30.00
<b>Total opening balance (A)</b>	<b>5,776.42</b>	<b>5,936.27</b>
Closing balance		
Unamortised content	4,138.03	4,205.81
Unexploited content	1,504.86	1,476.90
Unfinished content	30.00	93.71
<b>Total closing balance (B)</b>	<b>5,672.89</b>	<b>5,776.42</b>
<b>Net (increase)/ decrease (A-B)</b>	<b>103.53</b>	<b>159.85</b>

## 29. EMPLOYEE BENEFIT EXPENSES

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries	145.78	109.86
Contribution to provident fund	0.48	0.00
Contribution to gratuity fund	1.82	1.54
<b>Total</b>	<b>148.08</b>	<b>111.40</b>

## 30. FINANCE COSTS

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	40.72	50.65
Other borrowing costs	16.32	15.22
<b>Total</b>	<b>57.04</b>	<b>65.87</b>

## 31. OTHER EXPENSES

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditor's remuneration (Refer Note 44)	4.85	4.42
Advances written off	5.49	3.09
Business promotion expenses	11.74	8.62
Rates and taxes	22.67	5.11
Communications expenses	2.93	2.42
Contract service expenses	27.03	43.53
Conveyance and motor car expenses	20.27	21.87
Directors' sitting fees	11.20	13.20
Insurance	3.24	3.01
Interest on statutory dues	2.51	0.06
Legal and professional expenses	24.12	21.22
Loss on sale of assets	17.11	3.23
Rent	66.44	68.91
Traveling expenses	5.72	6.01
Establishment and administrative expenses	33.06	33.66
Impairment in the value of investments	0.00	0.57
<b>Total</b>	<b>258.38</b>	<b>238.93</b>

## 32. CONTINGENT LIABILITIES

Particulars	(In ₹ lakh)	
	As at March 31, 2019	As at March 31, 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts in respects of		
a. VAT liability	68.97	87.73
b. Other claims*	1,501.00	1,501.00
<b>Total</b>	<b>1,569.97</b>	<b>1,588.73</b>

\*Refer Note 38

The above matters are currently being considered by the tax authorities/ various forums and the Company expects the outcome will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgment/ decision pending with tax authorities/ various forums. The above excludes interest/ penalties which may become payable in case of unfavourable outcome.

## 33. EMPLOYEE BENEFITS

## Defined benefit plan

Group gratuity liability is recognised on the basis of gratuity report provided by Actuary.

The disclosures as required under the Indian Accounting Standard (Ind AS 19) in respect of gratuity, is as follows:-

Every employee is entitled to a benefit equivalent to 15 days salary drawn for each completed year of service in line with the Payment and Gratuity Act, 1972 or Company scheme, whichever is beneficial. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service

## a. Expenses recognised in statement of profit or loss

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	2.17	1.87
Net Interest cost	(0.35)	(0.33)
<b>Total</b>	<b>1.82</b>	<b>1.54</b>

## b. Expenses recognised in other comprehensive income (OCI)

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses recognised in other comprehensive income (OCI)		
Actuarial (gains)/ losses on obligation for the period	3.23	2.73
Return on plan assets excluding interest income	(0.22)	(0.42)
<b>Total</b>	<b>3.01</b>	<b>2.31</b>

## c. Reconciliation of defined benefit obligation

Particulars	(In ₹ lakh)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined benefit obligation at the beginning of the year	55.72	47.60
Current service cost	2.17	1.88
Interest cost	4.39	3.52
Actuarial (gain)/ loss due to change in financial assumptions	0.41	(1.51)
Actuarial (gain)/ loss on obligation - due to experience adjustments	2.83	4.23
<b>Defined benefit obligation at the end of year</b>	<b>65.52</b>	<b>55.72</b>

d. Reconciliation of plan assets

(In ₹ lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at the beginning of the year	60.22	52.13
Interest income	4.74	3.85
Employers contribution	5.32	3.82
Return on plan assets, excluding interest income	0.22	0.42
Fair value of plan assets at the end of the year	70.50	60.22

e. Net asset/ (liability) recognised in the balance sheet as at March 31, 2019

(In ₹ lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of defined benefit obligation (DBO)	(65.52)	(55.72)
Fair value of plan assets	70.50	60.22
Net asset/ (liability)	4.98	4.50

f. The significant actuarial assumptions were as follows

(In ₹ lakh)

Actuarial assumption	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.76%	7.88%
Attrition rate	2.00%	2.00%
Salary escalation rate	7.00%	7.00%
Rate of return on plan assets	7.76%	7.88%

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

(In ₹ lakh)

Sensitivity analysis	For the year ended March 31, 2019	For the year ended March 31, 2018
Projected benefit obligation on current assumptions	65.52	55.72
Delta effect of +1% change in rate of discounting	(3.22)	(2.77)
Delta effect of -1% change in rate of discounting	3.71	3.19
Delta effect of +1% change in rate of salary increase	1.98	1.58
Delta effect of -1% change in rate of salary increase	(1.77)	(1.44)
Delta effect of +1% change in rate of employee turnover	1.78	1.62
Delta effect of -1% change in rate of employee turnover	(1.97)	(1.81)

Note

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior year.

Maturity analysis of the benefit payments: from the fund

(In ₹ lakh)

Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2019	For the year ended March 31, 2018
1 <sup>st</sup> following year	33.01	21.24
2 <sup>nd</sup> following year	1.32	1.31
3 <sup>rd</sup> following year	1.37	11.87
4 <sup>th</sup> following year	1.39	1.11
5 <sup>th</sup> following year	1.43	1.14
Sum of years 6 to 10	19.40	6.29
Sum of years 11 and above	59.15	58.40

Notes

Gratuity is payable as per company's scheme as detailed in the report.

Actuarial gains/ losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation and attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cash flows considering future salary, attrition and death in respective year for members as mentioned above.

Average expected future service represents estimated term of post - employment benefit obligation.

Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.

Investment details

The Company made annual contribution to LIC of India of an amount advised by them. The company was not informed by LIC of the Investments made or the break down of plan assets by investment type.

g. Risk exposure

Gratuity is a defined benefit plan and company is exposed to number of risks, the most significant of which are detailed below:

Interest rate risk

A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching (ALM) risk

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

34. RELATED PARTY DISCLOSURES

Details relating to related parties/ persons and description of relationship are as under

Name of the related party	Description of relationship
a. Key Management Personnel	
i. Pallab Bhattacharya	Wholtime Director and CEO
ii. Rangita Pritish Nandy	Creative Director
iii. Santosh Gharat	Company Secretary and CFO
b. Non-executive Directors and their relatives	
i. Pritish Nandy	Non Executive Chairman
ii. Rina Pritish Nandy	Non Executive Director
iii. Udayan Bose	Non Executive, Independent Director
iv. Nabankur Gupta	Non Executive, Independent Director (up to December 7, 2018)
v. Raghu Palat	Non Executive, Independent Director
vi. Hema Malini	Non Executive, Independent Director
vii. Pradeep Guha	Non Executive, Independent Director (w.e.f. February 28, 2019)
viii. Ishita Pritish Nandy	Daughter of Non Executive Chairman
c. Close Family members of Key Management Personnel	
Rina Pritish Nandy	Mother of Rangita Nandy
Pritish Nandy	Father of Rangita Nandy
Ishita Pritish Nandy	Sister of Rangita Nandy

Details of transactions between the company and other related parties as disclosed below

(In ₹ lakh)

Nature of relation	Nature of transaction	As at March 31, 2019	As at March 31, 2018
Key management personnel	Remuneration / reimbursement	57.12	62.17
	Balance outstanding as at year end receivable/ (payable)	(5.24)	(3.92)
Non-executive directors and their relatives	Remuneration	41.05	40.62
	Reimbursement / Sitting fees		
	Professional fees	96.00	96.00
	Balance outstanding at year end receivable/ (payable)	(222.25)	(171.20)

Transactions with related parties have been done at arm's length and are in the ordinary course of business

## 35. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act are NIL as given below. This information has been relied upon by the auditor.

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	NIL	NIL
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	NIL	NIL
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	NIL	NIL
d. The amount of interest accrued and remaining unpaid at the end of each accounting year;	NIL	NIL
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

## 36. OPERATING LEASES:(LESSEE)

a. At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Lease rental charges for the year	65.71	68.91
Future Lease rental obligation payable (under non-cancellable lease)	0.00	0.00
Not later than one year	60.57	65.71
Later than one year but not later than five years	197.02	237.22
Later than five years	0.00	20.23

b. The total of future minimum sublease payment expected to be received under non – cancellable subleases at the end of reporting period is NIL

c. Lease payments recognised as an expense in the period in which it is incurred.

## 37. LEGAL PROCEEDINGS

a. The legal proceedings initiated by the company for the recovery of an advance of ₹ 150.00 lakh which was given against the Music, Asian and Indian Satellite rights of a film, where the company has lien over the exploitation of the said rights. The management of the Company considers the same as good and fully recoverable. Legal opinion obtained by the company supports this. Auditors have relied on the opinion and consequently no provision has been made in the accounts at this stage.

b. The company has received an award of ₹ 352 lakh in its favour in the arbitration case filed against White Feather Films. The Company has also received a revised order for the amount of interest, which the Company has not found satisfactory and hence it has moved an appeal with the Bombay High Court. White Feather Films has gone in appeal against the above said award and has been directed to deposit an amount of ₹ 300 lakh by the Bombay High Court. Proceedings are ongoing.

38. Arbitration proceedings initiated by the company against Prasar Bharati on account of wrongful encashment of bank guarantee of ₹ 750.50 lakh. The Company has obtained legal opinion from Justice AM Ahmadi, former Chief Justice of Supreme Court of India, which supports the Company's stand that the amount is fully recoverable and hence no provision is made there against.

39. i. Deferred tax liability (net) as at March 31, 2019 amounting to ₹ 1,115.67 lakh includes deferred tax assets of subsidiary "PNC Wellness Ltd" (wellness segment) amounting to ₹ 18.93 lakh.

In wellness segment Company owns the wellness brand 'Moksh' and sub brands like Power Yoga, Passion Yoga, Cool Yoga, Couple Yoga, etc. The Company is exploring avenues to commercialize its afore said brands. The Company is in the process of realigning its wellness business by making efforts to commercialize and lease its various brands through collaborative arrangements with other parties. There is ongoing dialogue in connection with commercial exploitation of the intellectual property rights.

Considering the above deferred tax asset pertaining to its wellness segment has been retained at a same value and same will be reviewed periodically; and provision, if any, will be made there against,

All known liabilities have been provided in the books of account. Legal proceeding related to dispute in respect of compliance and performance of the conditions of the license for the use of the premises from where Moksh zip was operating are ongoing between the company (PNC Wellness Ltd) and the licensor of the premises. The licensor is claiming ₹ 90.25 lakh being compensation from 1.4.2012 till 10.11.2013 in a suit filed with the small causes court, Mumbai. The Company has filed a suit in the Bombay High Court for compensation for an amount of ₹ 170.53 lakh on the grounds that the leave and license agreement stands vitiated by fraud by the licensor and be declared void ab initio and that the same is not enforceable against or binding upon the company. Pending the outcome of the aforesaid legal proceedings the impact on the financial statements of the company cannot be ascertained.

## ii. Deferred tax

(In ₹ lakh)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Depreciation on property, plant and equipment	(11.26)	(17.72)
Unamortised content	1,145.86	1,161.34
Unabsorbed business loss	(18.93)	(45.85)
Diminution in the value of investments	0.00	(0.15)
Total	1,115.67	1,097.62

## iii. Reconciliation of deferred tax assets/(liabilities) net

(In ₹ lakh)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Opening balance	1,097.62	1,162.36
Adjustment	0.01	0.00
Deferred tax (charge)/ credit recognised in Statement of profit and loss	18.04	(64.74)
Total	1,115.67	1,097.62

40. In the absence of persuasive evidence, there is presumption that intangible assets have a useful life of 10 years. In respect of cinematic content, the Company has persuasive evidence that the useful life of cinematic content is over 20 years.

The management has considered the following factors viz. the expected usage of the asset by the enterprise, typical product life cycles, technical, technological or other types of obsolescence, expected actions by competitors or potential competitors, the level of maintenance expenditure required to obtain the expected future economic benefits from the asset, the period of control over the asset, the useful life of the asset and for reasons viz. shelf lives of movies have substantially increased since 2000, getting better value for longer lease in excess of ten years, emergence of channels dedicated only for featuring content more than ten years old, growth in the number of distribution channels, rapid multiplication of remaking, animation and versions etc., and hence is of the view that the useful life of the cinematic content is 20 years. Hence, amortisation of ₹ 2,342.89 lakh in respect of cinematic content having life of more than 10 years, is not required to be made.

The details of cinematic and television content is as under

(In ₹ lakh)

	Cinematic content	Television content and web series	Total
Gross carrying amount as at April 1, 2018	20,793.29	8,193.21	28,986.50
Add: Additions during the year 2018-19	32.57	803.21	835.78
Total	20,825.86	8,996.42	29,822.28
Less: Amortised up to March 31, 2018	15,371.98	7,838.10	23,210.08
Amortised during the year 2018-19	72.39	866.92	939.31
Total Amortised	15,444.37	8,705.02	24,149.39
Net carrying amount as at March 31, 2019	5,381.49	291.40	5,672.89

There is no individual content that is material to the financial statements of the Company as a whole.

There is no content whose title is restricted. The content is pledged to Yes Bank Ltd as security for working capital overdraft facility of ₹ 1,000.00 lakh.

The total cost of content as at March 31, 2019 is ₹ 5,672.89 lakh. Based on a review of estimates of future realisations taken as a whole, the management is of the view that future recoverable amount from content rights to be more than its carrying unamortised cost of content. Hence, no impairment/write down is considered necessary on this account.

## 41. SEGMENT REVENUE AND RESULTS

The Holding Company and one subsidiary 'PNC Digital Ltd' operates only in one segment i.e. 'Content' but other subsidiary 'PNC Wellness Ltd' is operated in 'Wellness' segment. The groups reportable segments under Ind AS 108 are 'content' and 'wellness'.



The following is an analysis of the Company's revenue and results from continuing operations by reportable segments.

(In ₹ lakh)

Particulars	Segment revenue		Segment results	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a. Segment revenue/ results				
Content	1,504.27	1,955.54	136.86	230.77
Wellness	0.00	0.00	(1.66)	(5.72)
Gross revenue/ results	1,504.27	1,955.54	135.20	225.05
Less: inter-segment	0.00	0.00	0.00	0.00
Net revenue/ results	1,504.27	1,955.54	135.20	225.05
b. Segment results				
Profit before finance costs and tax			135.20	225.05
Add: other un-allocable income net of un-allocable expenditure			64.64	50.25
Less: finance costs			57.04	65.87
Profit before tax			142.80	209.43

c. Other Information

Segment assets and liabilities

(In ₹ lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Segment assets		
Content	10,228.03	9,952.43
Wellness	33.67	33.99
Consolidated total assets	10,261.70	9,986.42
Segment liabilities		
Content	2,278.15	2,136.05
Wellness	0.25	(38.41)
Consolidated total liabilities	2,278.40	2,097.64
Segment capital employed		
Content	7,949.88	7,816.38
Wellness	33.42	72.40
Consolidated total capital employed	7,983.30	7,888.78

42. RECONCILIATION OF TAX EXPENSE

(In ₹ lakh)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
a. Income tax expenses		
Current tax- in respect of the current year	26.26	20.00
Adjustments for current tax of prior periods	0.97	0.00
Deferred tax- in respect of the current year	18.04	(64.74)
Total	45.27	(44.74)
b. Income tax recognised in other comprehensive income		
Remeasurements of the defined benefit plans	0.00	0.00
Total income tax expense recognised in the year (a + b)	45.27	(44.74)

43. EARNING PER SHARE

(In ₹ lakh, or otherwise stated)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Profit after tax attributable to equity shareholders of the company	97.53	254.17
Weighted average number of equity shares (numbers in lakh)	144.67	144.67
Basic and Diluted earning per share (Amount in ₹)	0.67	1.76
Face Value per equity share (Amount in ₹)	10.00	10.00

44. AUDITORS REMUNERATION

(In ₹ lakh)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
As auditor		
Statutory audit	3.05	3.05
In other capacity		
Other services	1.80	1.37
Total	4.85	4.42

45. FINANCIAL INSTRUMENTS

a. Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, other bank balances, deposits, loans to employees, trade payables, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values.
- The fair values for long term security deposits given were calculated based on cash flows discounted using a current bank rate applicable to Company's deposits with the bankers. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1 : unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 : directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 : inputs which are not based on observable market data

(In ₹ lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying values	Fair value	Carrying values	Fair value
Financial assets				
Measured at amortised cost				
Trade receivables	463.41	463.41	123.83	123.83
Cash and bank balances	750.65	750.65	778.52	778.52
Other financial assets	1205.25	1205.25	1268.35	1268.35
Measured at FVTPL	0	0	0	0
Measured at FVTOCI	0	0	0	0
Total Financial assets	2419.31	2419.31	2170.7	2170.7
Financial liabilities				
Measured at amortised cost				
Borrowings	407.97	407.97	423.72	423.72
Trade payable	235.37	235.37	297.69	297.69
Other financial liabilities	55.35	55.35	51.55	51.55
Total financial liabilities	698.69	698.69	772.96	772.96

b. Financial risk management objective and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations including acquiring of PPE. The Company's principal financial assets include investments, trade and other receivables, and cash and bank balances that derive directly from its operations.

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

i. Market Risk

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

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

As variations in interest rate are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

#### Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of the change in foreign currency exchange rates.

The Majority of the Company's revenue and expenses are in Indian Rupees. Company also operates internationally with miniscule business transacted in foreign currency namely US Dollar and Singapore Dollar. Management considers currency risk to be low and hence does not hedge its currency risk. As variations in foreign currency exchange rates are not expected to have a significant impact on the results of operations, a sensitivity analysis is not presented.

#### ii. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits given, investments and balances at bank.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Outstanding customer receivables are regularly monitored. The Company considers the concentration of risk with respect to trade receivables as low, as its customers are well established companies besides in few cases Company receives advances from customers.

The risk of default is assessed as low.

#### ii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The table below summarises the maturity profile of the Company's financial liabilities as at March 31, 2019 based on contractual undiscounted payments:

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Carrying amount	698.69	772.96
Less than 12 months	434.89	541.75
More than 12 months	263.80	231.21

#### c. Capital risk management

Total equity includes capital reserve, securities premium, general reserve, retained earnings and share capital. Total debt includes current debt plus non-current debt.

(In ₹ lakh)

Particulars	As at	
	March 31, 2019	March 31, 2018
Total debt	421.51	433.43
Total equity	7,983.80	7,888.78
Debt – equity ratio	0.05	0.05

46. There are no subsequent events up to the date of issue of this financial statements.

47. Previous year figures have been regrouped/ recast/ rearranged wherever necessary in order to confirm with the current year's presentation.

As per our attached report of even date  
For BD Jokhakar and Co.  
Chartered Accountants

Pramod Prabhudesai  
Partner  
Membership number 032992

Mumbai, May 28, 2019

For and on behalf of the Board of Directors

Pallab Bhattacharya  
Wholetime Director and CEO  
DIN: 00008277

Yatender Verma  
VP, Finance, Compliances and Legal Affairs  
Mumbai, May 28, 2019

Udayan Bose  
Director  
DIN: 00004533

Santosh Gharat  
Company Secretary and CFO

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of PRITISH NANDY COMMUNICATIONS LTD (CIN L22120MH1993PLC074214) will be held on Monday, September 23, 2019 at 3.00 p.m. at Walchand Hirachand Hall, 4<sup>th</sup> floor, Indian Merchant Chambers Building, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business

**ORDINARY BUSINESS**

1. To receive, consider and adopt
  - a. the audited financial statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of directors and the auditors thereon; and
  - b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the report of the Auditors thereon.
2. To appoint a Director in place of Pallab Bhattacharya (DIN:00008277) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To re-appoint Udayan Bose (DIN: 00004533) as an Independent Director for the second term of five years

To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Udayan Bose (DIN: 00004533), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term with effect from April 1, 2019 to March 31, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Santosh Gharat, Company Secretary and CFO of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

4. To re-appoint Hema Malini (DIN:00873390) as an Independent Director for the second term of five years

To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms Hema Malini (DIN:00873390), Independent Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term with effect from April 1, 2019 to March 31, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Santosh Gharat, Company Secretary and CFO of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

5. To regularize the appointment of Pradeep Guha as an Independent Director of the Company who was appointed as an additional director of the Company w.e.f. February 28, 2019

To consider and if thought fit, to pass the following resolution as a Special Resolution

“RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) and regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended from time to time and subject to all other approvals, as may be required, the appointment of Pradeep Guha (DIN: 00180427) as an Independent Director of the Company for holding office for a term of five consecutive years from February 28, 2019 to February 27, 2024 be and is hereby approved.”

By Order of the Board

Santosh Gharat  
Company Secretary and CFO  
Mumbai, August 8, 2019

Registered Office: 87/88 Mittal Chambers, Nariman Point, Mumbai 400021

Explanatory Statement as required under Section 102(1) and other applicable provisions of Companies Act, 2013 annexed to and forming part of Notice dated August 8, 2019

**Item No. 2**

Pursuant to Section 52 of Companies Act, 2013, Pallab Bhattacharya, is retiring by rotation and being eligible, offers himself for re-appointment. Following is the brief profile of Mr Bhattacharya

Mr Bhattacharya, Wholtime Director and CEO of the Company is associated with the Company since November 1995 and was re-appointed at the Annual General Meeting held on September 21, 2015. Mr Bhattacharya has a bachelor's degree in arts from Calcutta University as well as a diploma in printing technology from the Regional Institute of Printing Technology, Jadavpur. He has 38 years of experience in media, which includes publishing and printing, television and cinematic content production. Mr Bhattacharya worked in The Times of India Group from 1983 till 1991, after which he joined The Observer Group of Newspapers as Chief Manager, Operations. He joined the Company in 1995 and is currently Chairman of the Corporate Leadership Team and also looks after the Company's day-to-day affairs and administration.

Other directorships of Mr Bhattacharya are PNC Digital Ltd and PNC Wellness Ltd. Mr Bhattacharya is a member of the Stakeholders' Relationship Committee. He holds 58,000 shares in the Company. He is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**Item no. 3 and 4**

Udayan Bose and Hema Malini were appointed as Directors of the Company on October 29, 2004 and October 31, 2006 respectively and pursuant to the requirements under Companies Act, 2013, were appointed as Independent Directors of the Company w.e.f. April 1, 2014 for a period of 5 consecutive years in the 21<sup>st</sup> Annual General Meeting of the Company on September 19, 2014. The said period of five years ended on March 31, 2019. They were eligible for re-appointment as Independent Director for one more term of upto five consecutive years subject to meeting criteria of independence and passing of special resolution by the shareholders of the Company to that effect.

Considering the past performance of Mr Bose and Ms Malini as Directors of the Company, their consent and necessary disclosures to continue as Independent Directors of the Company and that they continue to meet the criteria of Independence, the Board of Directors approved their re-appointment for the second term from April 1, 2019 to March 31, 2024 subject to approval of shareholders in the ensuing 26<sup>th</sup> Annual General meeting by way of special resolution.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives other than Mr Bose and Ms Malini is in any way interested in the Resolution at Item no. 3 and 4.

**Brief profile of Udayan Bose**

Mr Bose is a first-class Hons Graduate from Presidency College, Kolkata. After completing his fellowship at the Chartered Institute of Bankers, UK, he pursued the Advanced Management Program at Harvard Business School. He started his career with the National and Grindlays Bank Ltd in 1970 and then joined Deutsche Bank in India as Regional Director, South Asia. Mr Bose founded Lazard India, India's first international investment bank. He became the first Indian global partner of Lazard and Managing Director of Lazard Brothers and continued as Chairman of Lazard India from 1985 to 2005. He has over 42 years of experience in banking covering commercial banking, investment banking, international finance, project finance and capital markets in India, Singapore, USA, Germany and UK. He was the Chairman of The Calcutta Stock Exchange and Chairman of Thomas Cook India.

Other directorships of Mr Bose are JK Paper Ltd, The Sirpur Paper Mills Ltd and Tamara Capital Advisors Pvt Ltd.

**Brief profile of Hema Malini**

Ms Malini is a Non-executive Director on the Board of the Company. She is a renowned dancer, a noted actor, a film director and a highly respected creative artiste who has contributed to the evolving scenario of Indian films. She played the lead female role in Sholay, the biggest hit in the history of Indian cinema. Ms Malini has also been the Chairperson of the National Film Development Corporation of India and is currently, member of the Lok Sabha, member of the Committee on External Affairs, member of the Committee on Empowerment of Women and member of the Committee for the Ministry of Information and Broadcasting and Ministry of Culture. Ms Malini was awarded the Padma Shri in 2000 for her contribution to Indian films and culture.

She is also Director on the board of Hema Malini Entertainment Pvt Ltd.

**Item no. 5**

Pradeep Guha was appointed as additional Director of the Company on February 28, 2019 and pursuant to the requirements under Companies Act, 2013, needs to regularise and appoint him as an Independent Directors of the Company for a period of 5 consecutive years in the ensuing Annual General Meeting of the Company on September 23, 2019. The said period of five years ended on March 31, 2019. Mr Guha is eligible for appointment as an Independent Director for his first term of 5 consecutive years as he is meeting the criteria of independence. The Board of Directors, therefore recommends his appointment by passing of special resolution by the shareholders of the Company to that effect.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives other than Mr Guha is in any way interested in the Resolution at Item no. 5.

**Brief profile of Pradeep Guha**

Mr Guha is currently Managing Director of 9X Media Pvt Ltd, a television broadcasting Company with five satellite and two digital channels aimed at youth audiences. Prior to this, he was Chief Executive Officer of Zee Entertainment Enterprises Ltd and, before that, President and Executive Director of The Times of India Group.

He is also on the board of Raymond Ltd, India's leading textiles and garment manufacturer, Puravankara Ltd, developers of commercial and residential properties, and Whistling Woods International Ltd, India's largest training institute for film, television and other creative arts.

Other directorships of Mr Guha are in 9X Telefilms Pvt Ltd, Provident Housing Ltd, Celebutante Talent Management Company Pvt Ltd, Culture Brandz Pvt Ltd, INX Music Pvt Ltd, Culture Management Services Pvt Ltd, Culture Company (India) Pvt Ltd, Whistling Woods International Ltd, Paul Entertainments Pvt Ltd and India Chapter of International Association.

**NOTES**

1. A member entitled to attend and vote at the Annual General Meeting (the 'AGM') is entitled to appoint a proxy to attend and vote on poll instead of himself and such a proxy need not be a member of the Company. The instrument appointing a proxy, in order to be valid, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Company has announced closure of register of members and share transfer books of the Company from September 17, 2019 to September 23, 2019 (both days inclusive) for the purpose of annual book closure.

5. Members desirous of seeking any information at the Annual General Meeting are requested to send in their request(s) so as to reach the registered office of the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
6. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturdays and Sundays, between 11.00 am and 1.00 pm upto the date of the Annual General Meeting.
7. As a measure of economy copies of annual reports will not be distributed at the venue of the Annual General Meeting. Members are requested to bring their copy of the Annual report to the Annual General Meeting.
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with the Depositories.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Share Transfer Agent.
11. At the ensuing AGM, Pallab Bhattacharya, Director is retiring by rotation as per the requirements of Section 152 of the Companies Act, 2013 and being eligible, offer himself for re-appointment.

The information required to be provided under the Listing Agreement entered into with the stock exchange regarding the Directors who are proposed to be appointed/re-appointed is given in the Explanatory Statement.

12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Voting through electronic means

In compliance with provisions of Section 108 of Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 26<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services by Central Depository Services (India) Ltd. (CDSL)

The instructions for members for voting electronically are as under

- i. The voting period begins on September 20, 2019 at 9.00 am and ends on September 22, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of September 16, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case of members receiving e-mail
- ii. The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - iii. Click on Shareholders.
  - iv. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in physical form should enter folio number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and Voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first-time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection

screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant Company name on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" Option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. Note on Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. The voting period begins on September 20, 2019 at 9.00 am and ends on September 22, 2019 At 5.00 pm. The e-voting module shall be disabled by CDSL for voting thereafter.
- xxi. Mr VN Deodhar, practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results declared along with Scrutinizer Report shall be placed on the Company's website [www.pritishnandy.com](http://www.pritishnandy.com) and on the CDSL website: [www.cdslindia.com](http://www.cdslindia.com) within 2 (two) days of passing of the Resolutions at AGM of the Company on Monday of September 23, 2019 and communicated to NSE and BSE where the shares of the Company are listed.

- xxii. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of September 16, 2019.
- xxiii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board

Santosh Gharat  
Company Secretary and CFO  
Mumbai, August 8, 2019

Registered Office: 87/88 Mittal Chambers, Nariman Point, Mumbai 400021

**PRITISH NANDY COMMUNICATIONS**

PRITISH NANDY COMMUNICATIONS LTD

CIN: L22120MH1993PLC074214

REGISTERED OFFICE: 87/88 MITTAL CHAMBERS NARIMAN POINT MUMBAI 400021

**ATTENDANCE SLIP**

Folio no	
DP ID	
Client ID	
Number of Shares held	

I/ We hereby record my/ our presence at the 26<sup>th</sup> Annual General Meeting of the Company held on Monday, September 23, 2019 at 3.00 pm at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chambers Building, IMC Marg, Churchgate, Mumbai 400020 and at any adjournment(s) thereof.

Signature of the Shareholder(s)

Signature of the Proxy

Name of the Shareholder(s) (in block letters)

Name of the Proxy

Note 1. You are requested to sign and handover this slip at the entrance of the meeting venue.

2. The proxy form signed across revenue stamp should reach the Registered Office of the Company not less than 48 hours before the meeting

**PRITISH NANDY COMMUNICATIONS**

PRITISH NANDY COMMUNICATIONS LTD

CIN: L22120MH1993PLC074214

REGISTERED OFFICE: 87/88 MITTAL CHAMBERS NARIMAN POINT MUMBAI 400021

FORM NO. MGT-11

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)		Email ID	
Registered address		Folio No/ Client Id/ DP ID	

I/ We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him
- Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26<sup>th</sup> Annual General Meeting of the Company held on Monday, September 23, 2019 at 3.00 p.m. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchant Chambers Building, IMC Marg, Churchgate, Mumbai 400020 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No

**ORDINARY BUSINESS**

- To receive, consider and adopt:
  - the audited financial statements of the Company for the financial year ended March 31, 2019, together with the report of the Board of Directors and the Auditors thereon; and
  - the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the report of the Auditors thereon.
- To appoint a Director in place of Pallab Bhattacharya who retires by rotations and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

- To re-appoint Udayan Bose as an Independent Director for the second term of five years.
- To re-appoint Hema Malini as an Independent Director for the second term of five years.
- To regularize the appointment of Pradeep Guha as an Independent Director of the Company who was appointed as an additional director of the Company w.e.f. February 28, 2019

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019,

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting .





## CORPORATE LEADERSHIP TEAM



**PALLAB BHATTACHARYA**  
WHOLETIME DIRECTOR & CEO



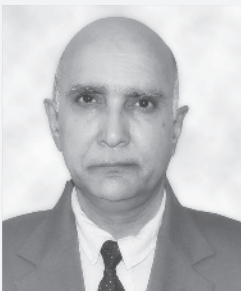
**RANGITA PRITISH NANDY**  
CREATIVE DIRECTOR



**ISHITA PRITISH NANDY**  
CHIEF BRAND STRATEGIST



**SANTOSH GHARAT**  
COMPANY SECRETARY AND CFO



**YATENDER VERMA**  
VICE PRESIDENT, FINANCE,  
COMPLIANCE & LEGAL AFFAIRS



**ANOOP KUMAR**  
CHIEF PRODUCTION OFFICER



**KISHOR PALKAR**  
CHIEF ACCOUNTS OFFICER



**IMTIAZ CHOUGLE**  
MANAGER, ACCOUNTS

# BRITISH NANDY COMMUNICATIONS

THE POWER OF ENTERTAINMENT.

