FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company	Pritish Nandy Communications Limited
2	Annual Financial Statement For the year ended	March 31, 2015
3	Type of Audit Observation	**Emphasis of Matter:** 1. Auditor has drawn attention to note 32 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 Rs 75,050,000. 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 at this stage. Our opinion is not qualified in respect of this matter. **Board of Directors Response**: Directors of the Company in the Directors' Report have stated that the matters referred to in segment relating to Emphasis of matter by the independent auditors in their report have been clarified in note number 32 on the financial statement forming part of Balance Sheet and Statement of Profit and Loss, which is self explanatory and reproduced below. **Note 32 to the financial statements** - Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantees of Rs 75,050,000 were ongoing before former Chief Justice YV Chandrachud. The parties completed the pleadings before the Arbitrator but unfortunately he passed away in July 2008 while the cross examinations were on. The Company had filed a petition before the Hon. High Court at Bombay for appointment of a sole Arbitrator in place and stead of Justice Chandrachud in January 2009. The Bombay High Court appointed Justice BN Srikrishna, former Judge of Supreme Court of India as sole Arbitrator vide order dated November 27, 2009 and the arbitration proceedings are ongoing. Opinion obtained by the Company from Justice AM Ahmadi, former Chief Justice of the Supreme Court of India, supports the Company's stand that the amount is fully recoverable. In view of this, the management of the Company does not consider it necessary to make a provision there against in the accounts. The Company is showing amount withheld by Prasar Bharati as "Long Term Loans and Advances". The arbitration proceeding originally commenced in the financial year 2000-2001 2. Auditor has drawn attention to note 38 on the standalone financial statements which describes the facts related to the legal proceedings initiated by the Company for the recovery of loans and advances aggregating to Rs 46,753,181. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the same and consequently no provision of any amount there against is made at this stage. Our opinion is not qualified in respect of this matter.

KRU

		Board of Directors Response: Directors of the Company in the Directors' Report have stated that the matters referred to in segment relating to Emphasis of matter by the independent auditors in their report have been clarified in note number 38 on the financial statement forming part of Balance Sheet and Statement of Profit and Loss, which is self explanatory and reproduced below. **Note 38 to the financial statements**- Loans and Advances of Rs 46,753,181 includes: i) Rs 15,000,000 advanced against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights and ii) Rs 31,753,181 being balance amount advanced towards joint production of a film where the Company has joint re-exploitation rights. The Company has initiated recovery proceedings in respect of the aforesaid advances. i) The Company has filed a Summary Suit with the Hon. High Court at Bombay which is pending hearing and disposal and ii) The Company has initiated arbitration proceedings which are ongoing before Justice Smt KK Baam (Retired). The management considers the same are good and fully recoverable. Legal opinion obtained by the Company from SF Rego, Judge (Retired), City Civil and Sessions Court, Mumbai, supports this and consequently no provision has been made in the accounts at this stage. The Company is showing these amounts as "Long Term Loans and Advances". This legal proceeding commenced in 2004.
4	Frequency of observation	1. Observation in point 1 appears since 2001 2. Observation in point 2 appears since 2004
5	Signed by Pallab Bhattacharya Wholetime Director and CEO	
	Yatender Verma Vice President Finance, Compliances and Legal Affairs	
	Kishore R Khare Proprietor K R Khare & Co Auditor of the Company	
	Vishnu Kanhere Independent Director Chairman of the Audit Committee	

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company	Pritish Nandy Communications Limited
2	Annual Financial Statement For the year ended	March 31, 2015
3	Type of Secretarial Audit Qualification	Secretarial Auditor's qualifications: 1. The Company has not appointed Chief Financial Officer as required under the provisions of Section 203(iii) of the Companies Act, 2013 and the Listing Agreements with Stock Exchanges 2. The Company has paid remuneration to its whole time Directors in excess of the limits prescribed under Schedule V read with Section 197 of the Companies Act, 2013.
4	Frequency of qualification	This has appeared first time.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer page nos 5 and 8 of the Annual Report. **Management Response** : 1. Company had advertised on September 30, 2014 in the Economic Times, Mumbai edition to fill up the vacancy of CFO. No suitable candidate was found. Hence appointment of CFO could not be made. Company has once again put out an advertisement on the Company's website to identify and appoint a suitable candidate. Company is also planning to put another advertisement in the newspapers. 2. The Company was not able to release its movie Mastizaade in the financial year under review and application for censorship certification is pending with Central Board of Film Certification. Consequently the Company was unable to make adequate profit resulting in excess payment on Directors' remuneration account. The Company is seeking approval of the members for the excess remuneration paid to the wholetime directors through a Special resolution in the forthcoming Annual General Meeting scheduled on September 21, 2015.
6	Additional comments from the board/audit committee chair:	None
	Signed by Pallab Bhattacharya Wholetime Director and CEO	
	Yatender Verma Vice President Finance, Compliances and Legal Affairs	
	Kishore R Khare Proprietor K R Khare & Co Auditor of the Company	KRKhare
	Vishnu Kanhere Independent Director Chairman of the Audit Committee	Vishnu Kanhere

22

ANNUAL REPORT AND ACCOUNTS 2015

PRITISH NANDY COMMUNICATIONS LTD

www.pritishnandycom.com

It is estimated that the Indian media and entertainment market is poised to grow at a CAGR of 13.9 per cent, from INR 1026 billion in 2014 to reach INR 1964 billion by 2019, a growth rate that is almost double that of the global media and entertainment industry.

FICCI-KPMG
Indian Media and Entertainment
Industry Report 2015

PRITISH NANDY COMMUNICATIONS LTD
22ND ANNUAL REPORT AND ACCOUNTS 2015

BOARD OF DIRECTORS

Pritish Nandy | Chairman
Udayan Bose
Nabankur Gupta
Hema Malini
Rina Pritish Nandy
Dr Vishnu Kanhere
Pallab Bhattacharya | Wholetime Director & CEO
Rangita Pritish Nandy | Creative Director

COMPANY SECRETARY

Vikas Shaw

AUDITORS

KR Khare & Co
Chartered Accountants

PRINCIPAL BANKERS

Yes Bank
Nariman Point Mumbai 400021

Standard Chartered Bank
Breach Candy Mumbai 400036

HDFC Bank
Marine Drive Mumbai 400020

REGISTERED OFFICE

87/88 Mittal Chambers Nariman Point Mumbai 400021

CORPORATE LEADERSHIP TEAM

Pallab Bhattacharya | Director & CEO, Chairman **Rangita Pritish Nandy** | Creative Director
Vikas Shaw | Company Secretary **Ishita Pritish Nandy** | Chief Brand Strategist
Yatender Verma | Vice President, Finance, Compliances & Legal Affairs **Anoop Kumar** | Chief Production Officer
Mahesh Vyas | Chief Manager, Accounts **Kishor Palkar** | Chief Manager, Accounts
Imtiaz Chougle | Manager, Production Accounts

PNC is an equal opportunities employer. Out of the 9 people in the Corporate Leadership Team, 2 are women. The average age is 36, combining youth with experience. Members of the CLT have been with PNC for an average of 11 years, demonstrating continuity and effective HR. Most senior managers have risen from the ranks.

Your Company is working two transformational businesses. One: The art of making movies, one of our most popular consumer products. Two: The distribution of entertainment products to the world's largest audience. The prospect for both look good and I am sure you will continue to stay invested in our future as we try to break new ground.

An excerpt from the
Chairman's Statement 2015

I welcome you all to your Company's 22nd Annual General Meeting. It is a pleasure to be with all of you again.

As I mentioned last year, great change has been taking place in the world of media and entertainment, both in India and worldwide. This change is being ushered in by a growing marketplace for quality content, which is your Company's core business. This marketplace is being served by not only the traditional distribution systems but also new and emerging technology platforms. We as a Company were not part of the distribution play because that was an entirely different kind of business and our skills lay essentially in the creative space. So we focussed on the making of content. Filmed content, to be precise. All the other activities we were into, we shifted out of over the years and your Company has now focussed entirely on its content business. That is how we were able to present to you an improved performance last year and a profitable bottom line.

We were expected to do better this year with yet another new production hitting the screens but, unfortunately, that did not happen because our ready film was unable to release in theatres because of factors beyond our control. You are all aware, I am sure, what those factors were since the media has widely reported on the film's journey through the certification process over the past few months. I am however happy to report to you that what was being widely reported in the media as a film that was unlikely to get past the censor authorities has actually got cleared by the certification board this month and your Company is now trying to find an appropriate date and distributor for its release. This unexpected delay is unlikely, in the opinion of your management, to hurt the prospects of the film and we are hoping to release it soon.

Meanwhile, your Company's investment in a new video streaming platform appears to have gained some traction. PNC Digital's 51 per cent stake in Ogle could bring us to the forefront of the new technological revolution that is sweeping the media and entertainment world today. India is no exception to this change and as the Prime Minister's dream project of Digital India translates into reality, we are expecting our digital platform for the distribution of entertainment content to soon grow into a major business opportunity. The first signs are encouraging and pre-order registrations are better than anticipated. We are expecting, if everything goes right, that Ogle will find many more subscribers in months to come.

We are also expecting that this content + streaming platform will make your Company an integrated operation. It will combine the art of making the kind of content people want to watch with the technology of its distribution through an owned digital platform apart from the traditional delivery systems that the industry currently uses.

The fact that our business now incorporates three major themes of the Indian Government's new industrial thrust should be seen as an important development. Make in India is the first because we are today the world's second biggest entertainment industry by size and the biggest by audience. Your Company is recognised and trusted to be an important player in this space. Skill India is the second because every film we make, big or small, involves the skill and expertise of over 1500 independent talent who work on it as a project, directly or indirectly, and whose livelihood depends on the skills they have acquired, honed and invested in the project. This is the best example of Skill India. Their livelihoods are at stake every Friday when our films release. And, finally, as I said before, Digital India is the third because the technology we have developed to distribute content through streaming video will take our movies, TV shows, events and music to millions of people all over India through their cell phones, laptops, tablets and TV sets. This will possibly happen at a fraction of the cost people pay today to enjoy their entertainment offline.

So your Company is working two transformational businesses. One: The art of making movies, one of our most popular consumer products. Two: The distribution of entertainment products to the world's largest audience. The prospect for both look good and I am sure you will continue to stay invested in our future as we try to break new ground. The rise of social media has been an asset to both businesses. And so has been the incredible growth in new talent, as more and more young people join the entertainment business to take it ahead. We only hope that in coming years the telecom infrastructure improves and institutional finance becomes more easily available to this industry which has always been one of modern India's biggest examples of global soft power. Every year, new markets are opening up to Indian entertainment. Every year, our films are setting new box office records. As the internet brings the world closer, we expect to see even better results in years to come.

No Chairman's Statement can ever be complete without thanking all stakeholders in our business. This has been a difficult year for us and many of us have had to work very hard to keep things going. I thank you, our shareholders. I thank our bankers, our business associates, our clients, our consumers, and all members of Team PNC who have worked very hard to keep things going in a year where more effort went into building the future than in reaping rewards from the past. I am hoping the year ahead will be better.

Thank you, all of you, for being here today and for being part of this annual occasion when we meet, talk, share our views. If there is anything more you may want to know, do feel free to contact the Company Secretary, Vikas Shaw at vikas@pritishnandycom.com or our Vice President, Yatender Verma at verma@pritishnandycom.com. In an interactive world, we are constantly trying to make it easier for all of you to interact with us in Team PNC. Company details, as usual, will be available on your Company's website pritishnandycom.com.

To

The Members

Your Directors present the 22nd Annual Report on the business and operations of the Company together with the audited financial accounts for the financial year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

Total income for this year was ₹ 219.39 lakh as compared to ₹ 4,097.84 lakh for the earlier year. The Company made a loss of ₹ 534.76 lakh before tax as compared to a profit of ₹ 506.94 lakh before tax in the preceding year.

In ₹ lakh

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Income from operations	42.10	3,893.52
Other income	177.29	204.32
Total turnover	219.39	4,097.84
Total expenditure	535.72	3590.90
Profit/(loss) before exceptional and extra ordinary items and tax	(316.33)	506.94
exceptional and extra ordinary items	218.43	0
Profit/(loss) after exceptional and extra ordinary items and before tax	(534.76)	506.94
Provision for current tax	0	133.40
Profit/(loss) after current tax	(534.76)	373.54
Provision for deferred tax	(5.38)	(81.95)
Net profit/(loss) after tax	(529.38)	455.49
Dividend (%)	0	0
Transfer to reserves	0	0
Balance in statement of profit and loss	(362.59)	191.35
Paid up capital	1,446.70	1,446.70
Earnings per share	(3.66)	3.15
Book value per share	55.47	59.30

In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed under Schedule V read with Section 197 of the Companies Act, 2013 ("the Act") is restricted to ₹ 4,200,000 for the year. The Company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed under Schedule V of the Act by ₹ 1,554,000. The Company was not able to release its movie Mastizaade in the financial year under review and application for censorship certification is pending with Central Board of Film Certification. Consequently the Company was unable to make adequate profit resulting in excess payment on Directors' remuneration account. Subject to approval of the shareholders of the Company by a special resolution in the forthcoming Annual General Meeting your Directors have approved the excess remuneration paid.

PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

During the year the films sector saw some films creating box office records, while several were unable to attract audiences to the theatre and profitability was impacted, overall. Your Company was not able to release its movie Mastizaade in the financial year under review and application for censorship certification is pending with Central Board of Film Certification. Consequently your Company was unable to book revenue and profit despite a ready film. Your Directors believe your Company has the capability, skill sets and expertise to emerge as one of the leading companies in the entertainment industry.

DIVIDEND

In view of the loss, your directors do not recommend any dividend.

LISTING WITH THE STOCK EXCHANGES

The equity shares of the Company continue to remain listed with 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 2015-2016 have been paid.

TRANSFER TO RESERVES

In view of the loss the Company has not transferred any amount to the general reserve.

EXCEPTIONAL ITEMS

Exceptional item pertains to writing off of the advance of ₹ 218.43 lakh recoverable from PNC Wellness Limited, wholly owned subsidiary of the Company. PNC Wellness Limited had to vacate its business premises at Breach Candy, Mumbai and the unit had therefore discontinued operations from the end of day on June 30, 2014. However, this subsidiary intends to continue in business and realign its strategy. In view of the realignment, this subsidiary has disposed off its equipment resulting in the loss of ₹ 136.35 lakh thereon. The entire capital of this subsidiary has eroded. The holding company has, from time to time, given this subsidiary advances totaling ₹ 218.43 lakh. To facilitate and support the revival of its business, this subsidiary had requested and our Company has waived the recovery of and written off the advances given.

SIGNIFICANT ITEMS

The Company's forthcoming movie Mastizaade directed by Milap Zaveri and starring Sunny Leone, Tushar Kapoor, Vir Das and Riteish Deshmukh in a special appearance has not been cleared by the Central Board of Film Certification and Film Certification Appellate Tribunal so far. The Company has resubmitted this film for CBFC certification and expects to resolve this issue soon.

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits within the meaning of Section 73, 74 and 76 of the Act and the rules framed thereunder.

RESIGNATION AND APPOINTMENT OF COMPANY SECRETARY

Resignation of Rupali Vaidya, the erstwhile Company Secretary, was accepted with effect from April 15, 2015.

The Company appointed Vikas Shaw as Company Secretary with effect from April 16, 2015.

SUBSIDIARIES

The Company has two subsidiaries viz. PNC Digital Limited (formerly known as PNC Productions Limited) and PNC Wellness Limited. There are no associate companies within the meaning of Section 2(6) of the Act.

PNC Digital Limited (formerly known PNC Productions Limited): There has been a material change in the nature of the business of this subsidiary. This subsidiary is now focusing on setting up the business of content streaming as well as any other technology business using internet as its primary delivery platform, including any further innovations in the broad field of web technology. This subsidiary had entered an agreement on June 30, 2014 with Harshawardhan Sabale, then CEO, Television and Digital Division of the holding company for acquiring Ogle, a video streaming technology, towards which it had made a part payment of ₹ 27 lakh. Contingent upon the receipt of an investment term sheet from a third party investor for providing investment in this subsidiary company, this subsidiary was to issue and allot, towards balance consideration, 490,000 full paid equity shares to Mr Sabale. The commercial launch and exploitation of Ogle has not yet commenced. In April 2015, this subsidiary identified and entered into an arrangement with an investor who is ready to invest in the exploitation of Ogle worldwide. To enable this exploitation a joint venture Company, Ogle Technologies Ltd, was incorporated at British Virgin Islands. The equity structure of Ogle Technologies Limited is identical to the equity structure contemplated in the agreement dated June 30, 2014 relating to the acquisition of Ogle. PNC Digital Limited owns 51% and Mr Sabale owns 49% of the issued and paid up capital of Ogle Technologies Limited. The commercial exploitation of Ogle will be taken up and conducted by Ogle Technologies Limited.

PNC Wellness Limited: There has been no material change in the nature of the business of this subsidiary. This subsidiary had to vacate its business premises at Breach Candy, Mumbai and the unit had, therefore, discontinued operations from the end of day on June 30, 2014. However, this subsidiary will continue its business activities and realign its strategy. In view of the realignment, this subsidiary has disposed off its equipment resulting in the loss of ₹ 136.35 lakh thereon. The entire capital of this subsidiary has eroded. The holding company has, from time to time, given this subsidiary advances totaling ₹ 218.43 lakh. To facilitate and support the revival of its business, this subsidiary had requested and our Company has waived the recovery of and written off the advances given.

Pursuant to Section 129(3) of the Act, in addition to the financial statements provided under sub-section (2), consolidated financial statements of the Company and of all its subsidiaries in the same form and manner as that of its own shall also be laid before the Annual General Meeting 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 of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the Company's websites.

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:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

b. 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;

c. 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;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, Vishnu Kanhere, Nabankur Gupta, Udayan Bose and Hema Malini were re-appointed as independent directors at the Annual General Meeting of the Company held on September 19, 2014. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Pallab Bhattacharya, as Wholetime Director and CEO and Rangita Pritish Nandy, Wholetime and Creative Director were reappointed at the Annual General Meeting of the Company held on September 19, 2014.

Pritish Nandy and Rina Pritish Nandy, retires by rotation and being eligible, offers themselves for re-appointment in the forthcoming Annual General Meeting.

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) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure II.

NUMBER OF MEETINGS OF THE BOARDS

Four meetings of the board were held during the year. For details of the meeting of the board, please refer to the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

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") under Clause 49 of the Listing Agreement.

In a separate meeting of Independent Directors, performance of non-independent directors', performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executives directors.

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 the directors' report.

AUDITORS

K R Khare & Co, Chartered Accountants, Auditors of the Company, hold office until the ensuing Annual General Meeting and have confirmed their willingness to be reappointed for a further term of 4 years and that their appointment, if made, would be within the prescribed limits of Section 141(3)(g) of the Act and that they are not disqualified from such re-appointment.

AUDITORS' REPORT

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

In the Emphasis of Matter paragraph, the auditor has stated:

We draw attention to note 32 to the 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 ₹ 75,050,000. The arbitration proceedings are ongoing since 2008. 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 at this stage. Our opinion is not qualified in respect of this matter.

We further draw attention to note 38 to the financial statements which describes the facts related to the legal proceedings initiated by the Company for the recovery of loans and advances aggregating to ₹ 46,753,181. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the same and consequently no provision of any amount there against is made at this stage. Our opinion is not qualified in respect of this matter.

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 note 32 and note 38 on the financial statement forming part of Balance Sheet and Statement of Profit and Loss, which are self explanatory and reproduced below:

Note 32 - Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantees of ₹ 75,050,000 were ongoing before former Chief Justice YV Chandrachud. The parties completed the pleadings before the Arbitrator but unfortunately he passed away in July 2008 while the cross examinations were on. The Company had filed a petition before the Hon. High Court at Bombay for appointment of a sole Arbitrator in place and stead of Justice Chandrachud in January 2009. The Bombay High Court appointed Justice BN Srikrishna, former Judge of Supreme Court of India as sole Arbitrator vide order dated November 27, 2009 and the arbitration proceedings are ongoing. Opinion obtained by the Company from Justice AM Ahmadi, former Chief Justice of the Supreme Court of India, supports the Company's stand that the amount is fully recoverable. In view of this, the management of the Company does not consider it necessary to make a provision there against in the accounts. The Company is showing amount withheld by Prasar Bharati as "Long Term Loans and Advances".

Note 38 - Loans and Advances of ₹ 46,753,181 includes: i) ₹ 15,000,000 advanced against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights and ii) ₹ 31,753,181 being balance amount advanced towards joint production of a film where the Company has joint re-exploitation rights. The Company has initiated recovery proceedings in respect of the aforesaid advances. i) The Company has filed a Summary Suit with the Hon. High Court at Bombay which is pending hearing and disposal and ii) The Company has initiated arbitration proceedings which are ongoing before Justice Smt KK Baam (Retired). The management considers the same are good and fully recoverable. Legal opinion obtained by the Company from SF Rego, Judge (Retired), City Civil and Sessions Court, Mumbai, supports this and consequently no provision has been made in the accounts at this stage. The Company is showing these amounts as "Long Term Loans and Advances".

SECRETARIAL AUDITORS' REPORT

The Secretarial Auditors' Report is given as Annexure III which forms part of this report. The Secretarial Auditor's 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 cases:

1. The Company has not appointed Chief Financial Officer as required under the provisions of Section 203(iii) of the Act, and the Listing Agreement with stock exchanges

2. The Company has paid remuneration to its wholetime Directors in excess of the limits prescribed under Schedule V read with Section 197 of the Act.

Your directors state that:

1. Company had advertised on September 30, 2014 in the Economic Times, Mumbai edition to fill up the vacancy of CFO. No suitable candidate was found. Hence appointment of CFO could not be made. Company has once again put out an advertisement on the Company's website to identify and appoint a suitably qualified person. Company is also planning to put another advertisement in the newspapers.

2. The Company was not able to release its movie Mastizaade in the financial year under review and application for censorship certification is pending with Central Board of Film Certification. Consequently, the Company was unable to make adequate profit resulting in excess payment on Directors' remuneration account.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INTERNAL CONTROL SYSTEM AND THEIR 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 internal control systems in the Company, its compliance with operating system, accounting procedures and policies of the Company. Based on the report of the Internal Auditor, Officers undertake corrective action in their respective area and thereby strengthen the control. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

RISK MANAGEMENT

The Company has constituted a Business Process and Risk Management Committee as a measure of good governance. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

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 impact on business objective and enhance the Company's competitive advantage. This policy defines the risk management approach across the enterprise at various levels including documentation and reporting. The policy enables risk to be appropriately assessed in accordance with their potential impact and likelihood. The key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in risk register.

Your Company is faced with different types of risks which need different approaches for mitigation. Details of various risks faced by your Company are provided in the Management Discussion and Analysis.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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 36 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.

CORPORATE SOCIAL RESPONSILITY (CSR)

Under Section 135(1) & (2) of the Act, the requirement of developing a policy on CSR activity and implementing the same is not applicable to the Company since the Company does not meet the criteria. Accordingly, the Company has not taken steps relating to CSR activity.

DISCLOSURE REQUIREMENT

As per Clause 49 of the Listing Agreement entered into with the stock exchanges, 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 www.pritishnandycom.com.

Policy for Determining Material Subsidiaries of the Company is available on the website of the Company www.pritishnandycom.com.

Policy on dealing with Related Party Transactions is available on the website of the Company www.pritishnandycom.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 the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges.

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

Information as per Section 134(3) (m) of the Act the particulars of Energy Conservation, Research and Development and Technology Absorption are not applicable.

Foreign Exchange Earnings and Outgoing during the year are given in note 18.1, 20.1 and 24.2 to the Financial Statements of the Company.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124(5) and 125 of the Act, ₹ 498,465 which remained unpaid or unclaimed for a period of 7 years has been transferred by the Company to the Investor Education and Protection Fund.

ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

	Pallab Bhattacharya	Vishnu Kanhere
Mumbai, July 24, 2015	Wholetime Director and CEO	Director

ANNEXURE I

STATEMENT PURSUANT TO FIRST PROVISO 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

PARTICULARS			
		1	2
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	6,600,000	500,000
4.	Reserves and surplus	2,928,543	338,571
5.	Total assets	14,799,158	62,317,580
6.	Total liabilities	14,799,158	62,317,580
7.	Investments	0	0
8.	Turnover	3,077,541	0
9.	Profit before taxation	3,792,048	(1,291,437)
10.	Provision for taxation (including deferred tax)	(1,289,709)	0
11.	Profit after taxation	5,081,757	(1,291,437)
12.	Proposed dividend	0	0
13.	% of shareholding	100%	99.78%

Notes:

1. Reporting period for all the subsidiaries is March 31, 2015.

ANNEXURE II

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

a. 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 (WTD)	
Pallab Bhattacharya	5.51
Rangita Pritish Nandy	5.43

b. 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, WTD & CEO	85.77%
Rangita Pritish Nandy, Creative & WTD	96.69%
Rupali Vaidya, Erstwhile Company Secretary	7.38%

c. The percentage increase in the median remuneration of employees in the financial year: 18%.

The number of permanent employees on the rolls of Company: 26

d. The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 18%. The individual increments varied from 7% to 18%, based on individual performance.

e. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP): F.Y. 2014-2015	Amount (In ₹ Lakh)
Revenue	42.10
Remuneration of KMP (as % of revenue)	143.68
Profit Before Tax (PBT)	(534.76)
Remuneration of KMP (as % of PBT)	Not applicable in view of inadequate profits

f. 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, 2015	March 31, 2014	% Change
Market Capitalization (in ₹ lakh)	1,736.04	1,546.52	12.25
Price Earnings Ratio	(3.28)	3.39	(196.61)

g. Percentage increase or 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, 2015	IPO	% Change
Market Price (BSE)	12.00	155.00	(92.26)
Market Price (NSE)	12.50	155.00	(91.93)

h. 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 average annual increase was around 18%. Increase in the managerial remuneration for the year was 80.80%. The managerial remuneration was in recognition of their long standing efforts and to make their remuneration commensurate with industry standards.

i. Comparison of remuneration of each key managerial personnel against the performance of the Company:

The company has not been able to generate revenues or profits which can be compared with the immediate earlier year since the release and exploitation of film 'Mastizaade' could not take place during the year due to circumstances beyond the control of the management. This resulted in payment of remuneration to Wholetime Directors exceeding the limits prescribed under Section 197 read with Part II of Schedule V of the Act, by ₹ 1,554,000.

j. 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.

k. 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.

l. 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.

m. 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 III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31,2015

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014]

To
The Members
Pritish Nandy Communications Ltd
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 Pritish 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 Company'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 authorized 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, 2015 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 the Company for the financial year ended on March 31, 2015 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, 1992;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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 cases:

i. The Company has not appointed Chief Financial Officer as required under the provisions of Section 203 (iii) of the Companies Act, 2013 and the Listing Agreements with Stock Exchanges
ii. The Company has paid remuneration to its whole time Directors in excess of the limits prescribed under Schedule V read with Section 197 of the Companies Act, 2013

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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 & Co

Vinayak N Deodhar
Proprietor
Fellow Company Secretary Number 1880
Certificate of Practice Number 898

Mumbai, July 24, 2015

ANNEXURE IV

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[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 Limited

iv. Category/ sub-category of the Company – Company limited by shares

v. Address of the registered office and contact details –
Pritish Nandy Communications Limited
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
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg
Bhandup (West)
Mumbai 400078
Tel.: 022-25963838
Fax: 022-25962691
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.	Film production and media consultancy	921	100%

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 Limited	U22110MH1994PLC07634	Subsidiary	99.78	2(87)
	Address : 87/88 Mittal Chambers, Nariman Point, Mumbai 400021				
2.	PNC Wellness Limited	U55100MH1999PLC120196	Subsidiary	100	2(87)
	Address : 87/88 Mittal Chambers, Nariman Point, Mumbai 400021				

1V. STATEMENT SHOWING SHAREHOLDING PATTERN

i. Category-wise share holding

Category of Shareholders			No. of Shares held at the beginning of the year (i.e as on 01.04.2014)				No. of Shares held at the end of the year (i.e as on 31.03.2015)				% 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
	b.	Central Govt	0	0	0	0	0	0	0	0	0
	c.	State Govt (s)	0	0	0	0	0	0	0	0	0
	d.	Bodies Corp.	2,098,232	0	2,098,232	14.5	2,098,232	0	2,098,232	14.5	0
	e.	Banks/ FI	0	0	0	0	0	0	0	0	0
	f.	Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)			5,994,539	0	5,994,539	41.44	5,994,539	0	5,994,539	41.44	0
2.		Foreign									
	a.	NRIs – Individuals	0	0	0	0	0	0	0	0	0
	b.	Others – Individuals	0	0	0	0	0	0	0	0	0
	c.	Bodies Corp.	0	0	0	0	0	0	0	0	0
	d.	Banks/ FI	0	0	0	0	0	0	0	0	0
	e.	Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)			0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters/ Promoter Group (A)=(A)(1)+(A)(2)			5,994,539	0	5,994,539	41.44	5,994,539	0	5,994,539	41.44	0

B		Public Shareholding									
1.		Institutions									
	a.	Mutual Funds	0	0	0	0	0	0	0	0	0
	b.	Banks/ FI	217,334	0	217,334	1.50	217,334	0	217,334	1.50	0
	c.	Central Govt	0	0	0	0	0	0	0	0	0
	d.	State Govt (s)	0	0	0	0	0	0	0	0	0
	e.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f.	Insurance Companies	25,000	0	25,000	0.17	25,000	0	25,000	0.17	0
	g.	FIIs	3,000,000	0	3,000,000	20.74	3,000,000	0	3,000,000	20.74	0
	h.	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i.	Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)			3,242,334	0	3,242,334	22.41	3,242,334	0	3,242,334	22.41	0
2.		Non-Institutions									
a.		Bodies Corp									
	i.	Indian	737,823	1	737,824	5.10	526,988	1	526,989	3.64	(28.57)
	ii.	Overseas	475,000	0	475,000	3.28	475,000	0	475,000	3.28	0
b.		Individuals									
	i.	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	2,577,073	4,380	2,581,453	17.84	2,628,012	4,280	2,632,292	18.20	1.97
	ii.	Individual shareholders holding nominal share capital in excess ₹ 1 Lakh	1,384,596	0	1,384,596	9.57	1,544,970	0	1,544,970	10.68	11.58
c.		Others (specify)									
	i.	Clearing members	48,254	0	48,254	0.33	47,876	0	47,876	0.33	0
	ii.	Trust	3,000	0	3,000	0.02	3,000	0	3,000	0.02	0
Sub-total (B)(2)			5,225,746	4,381	5,230,127	36.15	5,225,846	4,281	5,230,127	36.15	0.84
Total Shareholding (B) = (B)(1)+(B)(2)			8,468,080	4,381	8,472,461	58.56	8,468,180	4,281	8,472,461	58.56	0
Total (A) + (B)			14,462,619	4,381	14,467,000	100	14,462,719	4,281	14,467,000	100	0
C.		Share held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)			14,462,619	4,381	14,467,000	100	14,462,719	4,281	14,467,000	100	0

ii. Shareholding of promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e as on 01.04.2014)			Shareholding at the end of the Year (i.e as on 31.03.2015)			
		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	% Change in Share holding during the years
1	Pritish Nandy	2,952,197	20.41	0	2,952,197	20.41	0	0
2	Artinvest India Private Limited	1,394,789	9.64	0	1,394,789	9.64	0	0
3	Ideas.Com India Private Limited	703,443	4.86	0	703,443	4.86	0	0
4	Rina Pritish Nandy	625,000	4.32	0	625,000	4.32	0	0
5	Rangita Pritish Nandy	193,500	1.34	0	193,500	1.34	0	0
6	Ishita Pritish Nandy	125,610	0.87	0	125,610	0.87	0	0
	Total	5,994,539	41.44	0	5,994,539	41.44	0	0

iii. Change in promoters' shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No change			
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):				
At the end of the year				

iv. 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		No. of shares held at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mavi Investment Fund Limited	1,000,000	6.91	0	0
2	Apms Investment Fund Limited	0	0	1,000,000	6.91
3.	Cresta Fund Limited	1,000,000	6.91	1,000,000	6.91
4.	Elara India Opportunities Fund Limited	1,000,000	6.91	1,000,000	6.91
5.	International Communications Investments (Mauritius) Limited	475,000	3.28	475,000	3.28
6.	Naminder Singh Dhir	142,433	0.98	142,433	0.98
7.	Sushma Daga	127,000	0.88	127,000	0.88
8.	Mustafa Rajkotwala	83,331	0.58	83,331	0.58
9.	Bank of Maharashtra TIBD	82,653	0.52	82,653	0.57
10.	Anil Bansilal Lodha	5,492	0.04	81,842	0.57
11.	Parag Suresh Kamat	46,538	0.32	77,080	0.53

v. 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		Cumulative Shareholding during the year	
				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	28,000	0.1935	28,000	0.1935
			At the end of the year	50,000	0.3456	50,000	0.3456
2.	IN301151-23126481	Nabankur Gupta	At the beginning of the year	26,702	0.1846	26,702	0.1846
			At the end of the year	26,702	0.1846	26,702	0.1846

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	5,094,420	0	0	5,094,420
ii. Interest due but not paid	0	0	0	0
iii Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	5,094,420	0	0	5,094,420
Change in Indebtedness during the financial year				
• Addition	50,322,418	0	0	50,322,418
• Reduction	2,936,143	0	0	2,936,143
Net Change	47,386,275	0	0	47,386,275
Indebtedness at the end of the financial year				
i. Principal Amount	52,480,695	0	0	52,480,695
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	52,480,695	0	0	52,480,695

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to managing director, whole-time directors and/or manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Pallab Bhattacharya WTD & CEO	Rangita Nandy Creative Director	
1.	Gross salary a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 b. Value of perquisites under Section 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	 2,169,600 0 0	 2,223,000 0 0	 4,392,600
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify	 0 0	 0 0	 0 0
5.	Others, please specify	728,400	633,000	1,361,400
	Total (a)	2,898,000	2,856,000	5,754,000
	Ceiling as per the Act	The Company has incurred loss during the year. In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed under Schedule V read with Section 197 of the Act, is restricted to ₹ 4,200,000 for the year. The Company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed under Schedule V by ₹ 1,554,000. The excess remuneration paid is subject to approval of the shareholders of the Company by a special resolution in the forthcoming Annual General Meeting		

b. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Fee for attending board/ committee meetings	Commission Others, please specify	
1.	Independent Directors			
	a. Vishnu Kanhere b. Udayan Bose c. Nabankur Gupta d. Hema Malini	280,000 200,000 280,000 100,000	0 0 0 0	280,000 200,000 280,000 100,000
	Total (1)	860,000	0	860,000
2.	Other Non-Executive Directors a. Pritish Nandy b. Rina Pritish Nandy	 140,000 140,000	 0 0	 140,000 140,000
	Total (2)	280,000	0	280,000
	Total (b)=(1+2)	1,140,000	0	1,140,000
	Total Managerial Remuneration	1,140,000	0	1,140,000
	Overall Ceiling as per the Act	Ceiling as is not applicable since only sitting fees are paid to independent directors and non-executive directors.		

c. Remuneration to key managerial personnel other than md/ manager/ wholeime director

Sr. No.	Particulars of Remuneration	Company Secretary
1.	Gross salary	
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	306,680
	b. Value of perquisites under Section 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 - as % of profit - others, specify…	0
5.	Others, please specify	144,320
	Total	451,000

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment, or compounding of offences during the year ended March 31, 2015.

OVERVIEW

During the year the films sector saw some films creating box office records, while several were unable to attract audiences to the theatre and profitability was impacted, overall.

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

   a. CONTENT

      With a benign global economic environment and a stable central government economic environment and business sentiment has been positive. The year under review saw some films creating box office records, while several were unable to attract audiences to the theatre and profitability was impacted, overall.

      In the year ended March 31, 2015, the film production of the film 'Mastizaade' featuring Sunny Leone, Tushar Kapoor, Vir Das and Riteish Deshmukh in special appearance was taken up and completed. This film has not been cleared by the Central Board of Film Certification and Film Certification Appellate Tribunal so far. The Company has resubmitted this film for CBFC certification and expects to resolve this issue soon. Consequently your Company was unable to book revenue and profit.

      Company's core activity is creating and marketing content across all platforms. With the growth of multiplexes providing a larger platform for the first exhibition of cinematic content and with digitization and hand held devices opening up a wide range of new delivery systems, the entertainment industry and the Company's opportunities to create and distribute new content products continues to grow. Emerging media are opening up new avenues of revenue. Broadband, IPTV and DTH subscriptions are growing exponentially. Depending on the opportunities available, the Company will seek to enhance and/ or diversify its focus on multiple content platforms.

      The Company continues to focus on film content and several projects are at advanced pre production stage being planned to move into production shortly. The Company has the capability, skill sets and expertise to emerge as a leader in the entertainment industry.

   b. DIGITAL AND WELLNESS: The Company has two subsidiaries viz. PNC Digital Limited (formerly known as PNC Productions Limited) and PNC Wellness Limited.

      PNC Digital Limited (formerly known PNC Productions Limited): There has been a material change in the nature of the business of this subsidiary. This subsidiary is now focusing on setting up the business of content streaming as well as any other technology business using internet as its primary delivery platform, including any further innovations in the broad field of web technology. This subsidiary had entered an agreement on June 30, 2014 with Harshawardhan Sabale, then CEO, Television and Digital Division of the holding company for acquiring Ogle, a video streaming technology, towards which it had made a part payment of ₹ 27 lakh. Contingent upon the receipt of an investment term sheet from a third party investor for providing investment in this subsidiary company, this subsidiary was to issue and allot, towards balance consideration, 490,000 full paid equity shares to Mr Sabale. The commercial launch and exploitation of Ogle has not yet commenced. In April 2015, this subsidiary identified and entered into an arrangement with an investor who is ready to invest in the exploitation of Ogle worldwide. To enable this exploitation a joint venture company, Ogle Technologies Limited, was incorporated at British Virgin Islands. The equity structure of Ogle Technologies Limited is identical to the equity structure contemplated in the agreement dated June 30, 2014 relating to the acquisition of Ogle. PNC Digital Limited owns 51% and Mr Sabale owns 49% of the issued and paid up capital of Ogle Technologies Limited. The commercial exploitation of Ogle will be taken up and conducted by Ogle Technologies Limited.

      PNC Wellness Limited: There has been no material change in the nature of the business of this subsidiary.This subsidiary had to vacate its business premises at Breach Candy, Mumbai and the unit had therefore discontinued operations from the end of day on June 30, 2014. However, this subsidiary will continue its business activities and realign its strategy. In view of the realignment, this subsidiary has disposed off its equipment resulting in the loss of ₹ 136.35 lakh thereon. The entire capital of this subsidiary has eroded. The holding company has, from time to time, given this subsidiary advances totaling ₹ 218.43 lakh. To facilitate and support the revival of its business, this subsidiary had requested and our Company has waived the recovery of and written off the advances given.

2. RISKS, CONCERNS AND THREATS

   The content business is risk-prone. Shifting audience preferences has made the market fickle and unpredictable with films having shorter windows for garnering revenues at the time of their first theatrical release and with distributors reluctant to take risks by paying 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 release. The Company however plays a vital role in designing the marketing and distribution of its films.

   The Company continues its multi-product portfolio approach to minimize and manage the inherent risks of the business. The Company is also constantly researching audience tastes and creating innovative products that can meet the challenge of changing audience expectations through constantly changing technology.

3. INTERNAL CONTROL SYSTEMS, THEIR ADEQUACY AND RISK MANAGEMENT

   The Company has adequate internal control systems in place. These systems constantly assess and vet creative ideas. There is collective responsibility at every stage of decision making and a Corporate Leadership Team including all the department heads examines and clears each project for implementation. Your 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 management covering all critical and important activities viz., revenue management, production operations, purchase, finance, compliances, human resources, safety, etc. These policies and procedures are updated from time to time and compliance is monitored by internal audit. 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 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. Your Company is faced with different types of risks which need different approaches for mitigation.

   On a primary basis your Company has identified and categorized the following risks: Operational risks like injury to lead actor/s and/ or workmen, loss by fire, high personnel turnover ratio, piracy, delay in production cycle, censor certification, litigation, negative public perception, box office failure and realization of payments due, Environment risks like technological changes, new emerging trends and statutory & legal compliances. Financial risks like shortage of working capital, diminution of asset values, data loss, inventory loss, bad debts and theft/ loss of cash and valuables. 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, your Company has devised various mitigating solutions like providing for contingencies, taking insurance cover wherever necessary, making quality films, 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, lodging complaints with antipiracy organizations, making audiences aware of the benefit of original print quality, reducing CD/DVD prices, ensuring proper project management, forming multiple teams with experienced team leaders, ensuring in film content complies with guidelines, ensuring proper contractual documentation of rights to copyright and other film rights, ensuring clarification/ true facts are disseminated swiftly, identifying new platforms, acquiring sponsors, tying up with distributors exhibitors, dealing with established and reputed dealers, ensuring staff familiarity with latest technology, identifying trends, carrying out research, ensuring proper filling of statutory documents/ returns etc, ensuring proper budgetary planning and cash flow, complying with proper depreciation accounting policy, complying with dividend payout policy, ensuring timely replacement of equipment/ technology at best prices, maintaining, proper inward and outward register for films, checking library periodically, initiating legal action whenever applicable, monitoring cash levels and installing cash safe, investing in liquid funds or fixed deposits, registering intellectual property with appropriate authorities and monitoring and managing brand imaging continuously.

4. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

   Company's financial performance is not comparable to last year. Company is focusing on returning to growth and 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.

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.

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's website: www.pritishnandycom.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 Agreement entered into with the stock exchanges where the securities issued by the Company are listed. The Board has 8 directors as on March 31, 2015, of who 2 are Non-Executive Directors, 2 are Wholetime Directors and 4 are Independent Directors. All the directors are eminent professionals with specialised experience. Wholetime Directors in the Company have grown from the ranks.

None of the directors on the Board hold Directorships* in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors.

During 2014-2015, the Board met 4 times: on May 29, 2014, August 12, 2014, November 11, 2014, and February 10, 2015. The time gap between any 2 meetings was not more than one hundred twenty 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, 2015.

Director (Designation)	Category	Number of Board Meetings attended	Whether last AGM attended	Number of Other Companys' Directorships*, Committee+ Memberships And Chairmanship			Shareholding
				Director	Committee Member	Committee Chairman	Equity share of ₹ 10 each
Pritish Nandy** (Chairman)	Promoter, Non-Executive Director	4	Yes	1	–	–	2,952,197
Udayan Bose	Independent, Non-Executive Director	3	Yes	2	1	–	–
Nabankur Gupta	Independent, Non-Executive Director	4	Yes	9	2	–	26,702
Hema Malini	Independent, Non-Executive Director	2	No	–	–	–	–
Rina Pritish Nandy**	Promoter, Non-Executive Director	4	Yes	1	–	–	625,000
Vishnu Kanhere	Independent, Non-Executive Director	4	Yes	2	-	3	–
Pallab Bhattacharya (Wholetime Director and CEO)	Executive Director	4	Yes	2	2	1	50,000
Rangita Pritish Nandy** (Creative Director)	Promoter, Executive Director	2	Yes	1	–	–	193,500

*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 four committees: Audit Committee, Stakeholders Relationship Committee of other public companies, Human Resources, Nomination and Remuneration (HRNR) Committee and Risk Management Committee

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

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 Clause 49 of the Listing Agreement.

3. AUDIT COMMITTEE

The constitution of the Audit Committee meets with the requirements of Section 177 of the Act, and Clause 49 of the Listing Agreement with the stock exchanges as amended till date. The terms of reference specified by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and the same is part of the Corporate Governance Policy adopted by the Board.

As on March 31, 2015, the Audit Committee consists of Vishnu Kanhere, Chairman, Udayan Bose and Nabankur Gupta as members. All members of the Audit Committee including the Chairman are Independent Directors and financially literate. The Chairman, Dr Kanhere is a Practicing Chartered Accountant and has extensive expertise in financial management. Vikas Shaw, Company Secretary acts as Secretary of the Audit Committee.

During the year 2014-2015, the Audit Committee met 4 times: on May 29, 2014, August 12, 2014, November 11, 2014 and February 10, 2015. Attendance of Committee members during the year 2014-2015 is as under:

Name of member	Attendance	May 29, 2014	August 12, 2014	November 11, 2014	February 10, 2015
Vishnu Kanhere (Chairman)	4	Yes	Yes	Yes	Yes
Udayan Bose	3	Yes	Yes	Yes	No
Nabankur Gupta	4	Yes	Yes	Yes	Yes

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, Clause 49 of the Listing Agreement as amended from time to time, the Board of the Company has constituted '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 Listing Agreement and Schedule V of the Act. Remuneration Committee consists of Vishnu Kanhere as Chairman, Nabankur Gupta and Udayan Bose as members. Vikas Shaw, Company Secretary acts as Secretary of the Committee.

Directors' Remuneration

a. Advisory fees- The Company has paid ₹ 96 lakh per annum as advisory fee to the Non-Executive Chairman. The payment of this fee is approved under Section 197(1) of the Act, by the Government of India, Ministry of Law, Justice & Company Affairs, Department of Company Affairs.

b. Sitting fees- Sitting fees are paid to Non-Executive Directors for attending Board Meetings. All Non-Executive Directors are paid sitting fees of ₹ 40,000 for attending Board Meetings and Audit Committee Meetings.

c. Remuneration- Details of current remuneration paid to wholetime directors are as under :

Pallab Bhattacharya, was reappointed as Wholetime Director and CEO of the Company for further period of five 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:

a. Salary: Not exceeding ₹ 241,500 per month, subject to annual increment effective April 1, every year.

b. Perquisite: Mr Bhattacharya is entitled to a Company car with a driver.

c. Gratuity is payable as per rules of the Company at the end of service.

d. Reimbursement of traveling, hotel and other reasonable expenses actually incurred by Mr Bhattacharya for Company work.

Rangita Pritish Nandy, was reappointed as Creative Director of the Company for a further period of five 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:

a. Salary: Not exceeding ₹ 238,000 per month, subject to annual increment effective April 1, every year.

b. Perquisite: Ms Nandy is entitled to a Company car with a driver.

c. Gratuity is payable as per rules of the Company at the end of service.

d. Reimbursement of traveling, hotel and other reasonable expenses actually incurred by Ms Nandy for Company work.

Wholetime Directors of the Company are entitled to annual increments, as decided by the Board, effective from April 1, every year. Annual increments are merit based and taken into account the Company's performance. Company provides car with driver to Wholetime Directors and gratuity is payable to them as per the rules of the Company at the end of their tenure. Wholetime directors are entitled to reimbursement of traveling, hotel and other reasonable expenses actually incurred in the performance of their duties. 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.

The Company has incurred loss during the year. In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed under Schedule V read with Section 197 of the Act, is restricted to ₹ 4,200,000 for the year. The Company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed by ₹ 1,554,000. The excess remuneration paid is subject to approval of the shareholders of the Company by a special resolution in the forthcoming Annual General Meeting.

Shareholdings of the Non-Executive Directors of the Company

Of the 6 Non-Executive Directors, Promoter Directors Pritish Nandy and Rina Pritish Nandy holds 2,952,197 (20.41%) and 625,000 (4.32%) equity shares of the Company respectively. Nabankur Gupta, Independent Director holds 26,702 shares of the Company as on March 31, 2015.

5. STAKEHOLDERS RELATIONSHIP COMMITTEES:

Your company had a Stakeholder's Relationship committee in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.

Stakeholders Relationship Committee is constituted under the chairmanship of Independent Director, Vishnu Kanhere, Udayan Bose and Pallab Bhattacharya is its members. Vikas Shaw, Company Secretary acts as Secretary of the 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 request or complaint was received during the year 2014-2015.

6. GENERAL BODY MEETINGS

Year	Location	Date and Time
Annual General Meetings		
2011-2012	MC Ghia Hall, Mumbai 400001	September 27, 2012 at 3.00 PM
2012-2013	MC Ghia Hall, Mumbai 400001	September 27, 2013 at 2.00 PM
2013-2014	Walchand Hirachand Hall, Mumbai 400001	September 19, 2014 at 2.00 PM

7 OTHER COMMITEES

RISK MANAGEMENT COMMITTEE: The Risk Management Policy which includes procedures for risk assessment and minimization is adopted by the Board. The said policy is also put up on the website of the company,www.pritishnandycom.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.

a. To review the Risk Management Plan/ Policy and its deployment within the Company.

b. To monitor the effectiveness of the Risk Management Plan/ Policy.

c. To decide the maximum risk taking ability of the company to guide the Board in making new investments.

d. To review the major risks of the Company and advise on its mitigation to the Board.

e. Such other functions as may be delegated by the Board from time to time.

During the year, the Committee met once and was attended by all the members.

8. DISCLOSURES

a. 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.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by stock exchanges or SEBI or any other 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 also put up on the website of the Company,www.pritishnandycom.com.

d. The Board has adopted policies to establish transparency and good governance. These policies are 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, www.pritishnandycom.com.

9. MEANS OF COMMUNICATION

a. The unaudited quarterly financial statements, audited annual financial statements and quarterly shareholding pattern are posted on the website of the Company at www.pritishnandycom.com. Also the website carries official news about the Company's upcoming activities.

b. The quarterly unaudited and annual audited financial statements are generally published in Financial Express, all editions and Dainik Sagar, Mumbai edition, 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.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting

Date and time	:	September 21, 2015 at 3:00 P.M.
Venue	:	Walchand Hirachand Hall, 4th floor, IMC Building,
		IMC Marg, Churchgate, Mumbai 400 020

10.2 Financial calendar (tentative) for financial year — April 1, 2015 to March 31, 2016

a Board meetings to consider financial results

Before July 31, 2015	:	Results for the first quarter
Before November 14, 2015	:	Results for the second quarter
Before February 14, 2016	:	Results for the third quarter
Before May 30, 2016	:	Results for the fourth quarter and year ending March 31, 2016

b Annual General Meeting : September, 2016

10.3 Date of book closure : September 11, 2015 to September 21, 2015 (both days inclusive)

10.4 Dividend payment date : Not applicable

10.5 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

10.6 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 dematerialized form.

10.7 Company's share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty

Period (As on March 31, 2014 and March 31, 2015)	% change in Company's share price	% change in Indices
BSE-Sensex	12.25	24.89
NSE-Nifty	23.15	26.65

10.8 Market price data:

	NSE		BSE	
	Month's high price (₹)	Month's low price (₹)	Month's high price (₹)	Month's low price (₹)
April 2014	10.95	9.35	11.25	9.45
May 2014	14.85	9.15	14.38	8.65
June 2014	19.20	15.25	19.40	15.09
July 2014	17.00	14.30	17.85	14.20
August 2014	15.75	12.35	15.83	12.21
September 2014	23.35	12.10	23.65	12.66
October 2014	20.95	17.35	20.50	17.30
November 2014	20.50	15.55	18.80	14.55
December 2014	19.00	12.65	18.65	12.70
January 2015	17.05	13.00	16.00	13.00
February 2015	15.85	12.70	15.38	12.8
March 2015	16.50	11.50	14.80	11.65

10.9 Registrar and transfer agents : Link Intime India Private Ltd

10.10 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.

10.11 Distribution of shareholding as on March 31, 2015

	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	4,467	79.31	718,778	7,187,780	4.97
5,001 to 10,000	535	9.50	452,301	4,523,010	3.13
10,001 to 20,000	283	5.03	442,678	4,426,780	3.06
20,001 to 30,000	92	1.63	239,220	2,392,200	1.65
30,001 to 40,000	46	0.82	167,174	1,671,740	1.15
40,001 to 50,000	50	0.89	232,768	2,327,680	1.61
50,001 to 100,000	72	1.28	552,813	5,528,130	3.82
100,001 and above	87	1.54	11,661,268	116,612,680	80.61
Total	5,632	100.00	14,467,000	144,670,000	100.00

Distribution of shareholding as on March 31, 2015 (Category wise)		%
Promoters Holding	:	41.44
Mutual funds and Unit Trust of India	:	0.00
Banks and financial institutions	:	1.50
Foreign institutional investors	:	20.74
Insurance companies	:	0.17

Clearing member	:	0.33
Trust	:	0.02
Public and private corporate bodies	:	3.64
NRIs/OCBs	:	3.28
Indian public and others	:	28.88
Total	:	100.00

10.12 Dematerialization of shares and liquidity:

About 14,462,719 equity shares of the Company are held in dematerialized form which constitutes 99.97% of the total number of equity shares dematerialized as on March 31, 2015. Trading in the equity shares of the Company is permitted only in dematerialized form. The equity shares of the Company are actively traded on BSE and NSE.

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

10.14 Plant locations : The Company has no plant.

10.15 Address for investor correspondence

Registrar and Share Transfer Agent			Company		
Link Intime India Private Ltd			The Company Secretary		
Unit: Pritish Nandy Communications Ltd			Pritish Nandy Communications Ltd		
C-13, Pannalal Silk Mills Compound			87/88 Mittal Chambers		
LBS Marg, Bhandup (West)			Nariman Point		
Mumbai 400078			Mumbai 400021		
Tel	:	022-25963838	Tel	:	022-42130000
Fax	:	022-25962691	Fax	:	022-42130033
email	:	rnt.helpdesk@linkintime.co.in	email	:	investorgrievance@pritishnandycom.com
Website	:	www.linkintime.co.in	Website	:	www.pritishnandycom.com

OTHER INFORMATION

a. Listing fees for the financial year 2015-2016 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

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 remains closed as per the code.

d. CEO/ CFO Certification

A certificate from the Wholetime Director and CEO and the Vice President, Finance, Compliances and Legal Affairs on the financial statement of the Company was placed before the Board.

For and on behalf of the Board of Directors

	Pallab Bhattacharya	Yatender Verma	Vikas Shaw
Mumbai, July 24, 2015	Wholetime Director and CEO	VP, Finance, Compliances and Legal Affairs	Company Secretary

DECLARATION BY CEO

I, Pallab Bhattacharya, Wholetime 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. I further confirm that the Company has received a declaration of compliance with the Code of Conduct for the year ended March 31, 2015 from Members of its Board and Senior Management Personnel.

Pallab Bhattacharya
Wholetime Director and CEO

Mumbai, July 24, 2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Pritish Nandy Communications Ltd

We have examined the compliance of conditions of Corporate Governance by Pritish Nandy Communications Ltd for the year ended on March 31, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the "Guidance Note on Certificate of Corporate Governance" issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, July 24, 2015

INDEPENDENT AUDITORS' REPORT

To
The Members of
Pritish Nandy Communications Ltd

REPORT ON STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Pritish Nandy Communications Ltd ("the Company"), which comprise the Balance Sheet as at March 31,2015, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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 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, 2015 and its loss and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to note 32 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 ₹ 75,050,000.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 at this stage. Our opinion is not qualified in respect of this matter.

We further draw attention to note 38 on the standalone financial statements which describes the facts related to the legal proceedings initiated by the Company for the recovery of loans and advances aggregating to ₹ 46,753,181. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the same and consequently no provision of any amount there against is made at this stage. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
   f. 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 paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed of ₹ 4,200,000 by Schedule V read with Section 197 of the Act. The excess amount of ₹ 1,554,000 is subject to approval of the shareholders of the company by a special resolution in the forthcoming annual general meeting as referred to in note 36.
      ii. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no 32 and 38 to the financial statements;
      iii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iv. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, May 25, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;

   b. As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

2. 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 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.

3. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act, other than;

   a. the temporary interest free advances to its wholly owned subsidiary viz. PNC Wellness Ltd for meeting its operational expenses amounting to ₹ 21,843,002 which has been waived by the company during the year, and

   b. the temporary interest free advances to its subsidiary viz. PNC Digital Ltd for content production account amounting to ₹ 56,160,687 as at the year end.

   As explained to us there are no terms for repayment of these temporary advances.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.

5. 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, the provisions of clause 3(v) of the Order are not applicable to the Company.

6. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

7. a. The Company is regular in depositing undisputed statutory dues payable in respect of including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except as follows:

Name of statute	Nature of dues	Period to which relate	Amount ₹	Forum where pending
VAT Act, 2005	VAT	FY 2003-04	1,520,760	JT Commissioner of Sales Tax (Appeals) II, Mumbai City Division, Mumbai
VAT Act, 2005	VAT	FY 2004-05	355,268	JT Commissioner of Sales Tax (Appeals) II, Mumbai City Division, Mumbai

   b. According to information and explanations given to us, there are no dues of service tax and income tax which have not been deposited on account of any dispute.

   c. According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

8. The Company's accumulated losses as at March 31, 2015 are less than fifty percent of its net worth. It has incurred cash losses in the year under audit and has earned cash profits in the immediately preceding financial year.

9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or bank during the year.

10. According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the Company.

11. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the perpose for which they were obtained.

12. 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.

For K R Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, May 25, 2015

As at March 31, 2015

	Note No		March 31, 2015 ₹		March 31, 2014 ₹
EQUITY AND LIABILITIES					
1. Shareholders' funds					
a. Share capital	2	144,670,000		144,670,000	
b. Reserve and surplus	3	657,834,558	802,504,558	713,228,723	857,898,723
2. Non current liabilities					
a. Long term borrowings	4	1,910,090		3,535,886	
b. Deferred tax liabilities (net)	5	117,215,076	119,125,166	118,851,430	122,387,316
3. Current liabilities					
a. Short term borrowings	6	48,944,809		0	
b. Trade payables	7	38,286,339		40,360,791	
c. Other current liabilities	8	45,187,084		41,283,483	
d. Short term provision	9	0	132,418,232	13,339,936	94,984,210
			1,054,047,956		1,075,270,249
ASSETS					
1. Non current assets					
a. Fixed assets					
Tangible assets	10	9,889,877		17,190,733	
b. Non current investments	11	36,246,050		36,263,150	
c. Long term loans and advances	12	384,406,376	430,542,303	402,745,114	456,198,997
2. Current assets					
a. Cinematic and television content	13	537,125,897		403,994,473	
b. Trade receivables	14	3,351,063		7,969,739	
c. Cash and bank balances	15	53,004,365		167,060,976	
d. Short term loans and advances	16	27,687,171		37,599,289	
e. Other current assets	17	2,337,157	623,505,653	2,446,775	619,071,252
			1,054,047,956		1,075,270,249
Significant accounting policies and notes on financial statements	1 to 42				

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor

Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs
Membership Number 032993

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

For the year ended March 31, 2015

	Note No	March 31, 2015 ₹	March 31, 2014 ₹
INCOME			
Revenue from operations	18	4,210,600	389,352,346
Other income	19	17,728,758	20,431,817
Total income		21,939,358	409,784,163
EXPENSES			
Cost of content	20	133,313,132	273,729,004
Changes in inventories of content	21	(133,313,132)	26,900,936
Employee benefits expenses	22	14,305,140	9,290,046
Finance cost	23	3,664,534	3,900,703
Depreciation	10	3,883,293	1,895,653
Other expenses	24	31,719,671	43,373,474
Total expenses		53,572,638	359,089,816
Profit/ (loss) before exceptional and extra ordinary items and tax		(31,633,280)	50,694,347
Exceptional and extra ordinary items			
Advance to subsidiary company - written off		21,843,002	0
Profit/ (loss) after exceptional and extra ordinary items and before tax		(53,476,282)	50,694,347
Tax expense			
Current tax		0	13,339,936
Deferred tax		(538,095)	(8,194,294)
Profit/ (loss) from continuing operations		(52,938,187)	45,548,705
Earning per equity share			
Basic and diluted	25	(3.66)	3.15
Significant accounting policies and notes on financial statements	1 to 42		

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor

Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs
Membership Number 032993

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

1.1 General

a. The financial statements have been prepared as per historical cost convention and in accordance with generally accepted accounting principles in India.

b. Expenses and revenue are generally accounted for on accrual basis, except those associated with significant uncertainties and exgratia which are accounted on cash basis.

1.2 Revenue recognition

a. In respect of commissioned content/ content produced/ acquired, income is recognised as on date of delivery of Digi Betas.

b. In respect of sponsored content/ content produced/ acquired, income is recognised as and when the relevant content is telecast.

c. In respect of cinematic content produced/ acquired, income is recognised on the following basis:

i. In respect of cinematic content, which is not complete i.e. under production, no income is recognised.

ii. In respect of cinematic content, which is complete but not released, income is recognised as – so much of the estimated income on release as bears to the whole of the estimated income the same proportion as the actual recoveries/ realisations/ confirmed contracts bears to the total expected realisations.

iii. In respect of cinematic content completed and released during the year income is recognised on release/ delivery of release prints except income, if any, already recognised as per clause c (ii)

iv. In respect of cinematic content, which is complete but not released, income from streams other than theatrical release is recognised on the basis of contracts/ deal memo and delivery of Digi Betas.

v. In respect of music rights, income is recognised on its release or exploitation contract.

d. In respect of consultancy services, income is recognised as and when services are actually rendered resulting in enforceable claim.

e. Dividend on investments is accounted as and when received. Interest income is recognised on accrual basis.

1.3 Cinematic content

The cinematic content has been valued on the following basis:

a. Incomplete cinematic content : at lower of allocated/ identified cost or net realisable value.

b. Abandoned/ shelved cinematic content : at lower of cost or net realisable value.

c. 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 net realizable value.

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

Basis of amortisation of allocated costs

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

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

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

c. 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.

1.4 Television content

The television content has been valued on the following basis

Unexploited television content : at lower of average of allocated cost or net realizable value.

Unfinished television content : at lower of average of allocated cost or net realizable value.

Production property : at lower of allocated cost or net realisable value.

Exploited television content is amortised as under

Exploited television content : at lower of unamortised cost as estimated by the management on the following basis or net realizable value:

Particulars	1st Telecast	2nd Telecast	3rd Telecast	Residual value
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 telecasts as per the chart depicted above.

ii. The production costs are amortised as per the above referred policy followed by the Company. The production costs are revenue costs and are treated as such for the purposes of taxation.

iii. The Company retains one copy of its own television content for record purpose.

1.5 Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises purchase price including any attributable cost of bringing the asset to its working condition for its intended use and any other identifiable direct expenses.

All expenditure incurred prior to commencement of project is carried forward as pre-operative expenditure which would be capitalised/ written off on commencement of business.

1.6 Depreciation

a. Depreciation on tangible fixed assets is provided on the straight line method over the useful life of assets as prescribed under paret C of/ Schedule II of the Companies Act, 2013.

b. In case of assets whose useful life is already exhausted as on April 1, 2014, the carrying value, net of residual value and deferred tax has been adjusted in retained earning in accrodance with the requirements of Schedule II of the Companies Act, 2013.

c. No depreciation has been charged on the assets, which have not been put to use during the period.

d. Depreciation on addition/ deletion to assets is calculated on a pro-rata basis from the month of addition and till month of deletion.

e. Depreciation on improvement to leave and licence premises is calculated over the period of leave and licence.

1.7 Taxation

Current tax: Provision for current tax for the year has been made after considering deduction/ allowances/ claims admissible to the Company under the Income Tax Act, 1961.

Deferred tax: Deferred tax is recognised, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

1.8 Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary. Current investments are stated at lower of cost or market value.

1.9 Contingent liabilities

No provision has been made for liabilities, which are contingent in nature.

1.10 Foreign currency transactions

a. Transactions in foreign currency are recorded at the rate prevailing on the date when the amount is received or remitted.

b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the balance sheet date; gains/ losses are reflected in the statement of profit and loss.

c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

1.11 Retirement benefits

a. Contributions are made to Provident Fund and charged to revenue wherever applicable.

b. 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.

c. The Company does not have any policy for leave encashment.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. The qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.13 Impairment of assets

At Balance Sheet date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognised in the accounts to the extent the carrying amount exceeds the recoverable amount.

1.14 Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of past events, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements.

NOTE 2	March 31, 2015 ₹	March 31, 2014 ₹
SHARE CAPITAL		
Authorised share capital 20,000,000 (L Y 20,000,000) equity shares of ₹ 10 each	200,000,000	200,000,000
Issued, subscribed and fully paid up 14,467,000 (L Y 14,467,000) equity shares of ₹ 10 each	144,670,000	144,670,000
	144,670,000	144,670,000

NOTE 2.1

Company has only one class of share referred to as equity share with voting right.

NOTE 2.2

The reconciliation of the number of shares outstanding is set out below

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity shares				
Opening balance as at April 1, 2014	14,467,000	144,670,000	14,467,000	144,670,000
Add: Issued during the year	0	0	0	0
Closing balance as at March 31, 2015	14,467,000	144,670,000	14,467,000	144,670,000

NOTE 2.3

The details of share holders holding more than 5% shares

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Share Holding	% held	No. of Share Holding	% held
Pritish Nandy	2,952,197	20.41	2,952,197	20.41
Artinvest India Pvt Ltd	1,394,789	9.64	1,394,789	9.64
Cresta Fund Ltd	1,000,000	6.91	1,000,000	6.91
Elara India Opportunities Fund Ltd	1,000,000	6.91	1,000,000	6.91
APMS Investment Fund Ltd	1,000,000	6.91	0	0
Mavi Investment Fund Ltd	0	0	1,000,000	6.91

		March 31, 2015		March 31, 2014
NOTE 3		₹		₹
RESERVES AND SURPLUS				
Capital reserve				
Opening balance as at April 1, 2014	36,865		36865	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	36,865	36,865	36,865	36,865
General reserve				
Opening balance as at April 1, 2014	22,098,279		22,098,279	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	22,098,279	22,098,279	22,098,279	22,098,279
Surplus/ (deficit) in statement of profit and loss				
Opening balance as at April 1, 2014	19,134,759		(26,413,946)	
Add: Current years profit/ (loss)	(52,938,187)		45,548,705	
Less: Depreciation on assets whose life expired before April 1, 2014	(3,554,237)		0	
Add: Deferred tax reversal on above (Refer note 1.6(b))	1,098,259		0	
Closing balance as at March 31, 2015	(36,259,406)	(36,259,406)	19,134,759	19,134,759
Security premium reserve				
Opening balance as at April 1, 2014	671,958,820		671,958,820	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	671,958,820	671,958,820	671,958,820	671,958,820
		657,834,558		713,228,723

	March 31, 2015	March 31, 2014
NOTE 4		
LONG TERM BORROWINGS		
Secured long term finance lease obligations		
(Secured against the hypothecation of vehicles)		
Kotak Mahindra Prime Ltd	0	718,981
Daimler Finanacial Services India Pvt Ltd	1,910,090	2,490,844
ICICI Bank Ltd	0	326,061
	1,910,090	3,535,886

NOTE 4.1

Secured long term finance lease obligations repayable in monthly equitable instalments are as follows

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount ₹	Rate of interest p a	Amount ₹	Rate of interest p a
Repayable upto January, 2016	0	0	326,061	9.99%
Repayable upto February, 2016	0	0	396,351	11.83%
Repayable upto March, 2016	0	0	322,630	12.10%
Repayable upto November, 2018	1,910,090	11.32%	2,490,844	11.32%
Total	1,910,090		3,535,886	

NOTE 4.2

Finance lease commitments

₹

Particulars	As at March 31, 2015		As at March 31, 2014	
	Principal	Interest	Principal	Interest
Later than one year and not later than five years	1,910,090	311,638	3,535,856	621,109
Later than five years	0	0	0	0
Total	1,910,090	311,638	3,535,856	621,109

		March 31,2015		March 31, 2014
NOTE 5		₹		₹
DEFERRED TAX LIABILITIES				
Deferred tax liabilities				
Opening balance as at April 1, 2014		118,851,430		127,045,724
Less: Liability reversal on depreciation of assets whose life expired before April 1, 2014	1,098,259		0	
Less: Assets provided on depreciation for the year (refer note 1.6(b))	538,095	1,636,354	8,194,294	8,194,294
		117,215,076		118,851,430

NOTE 5.1

The Company estimates deferred tax charge/ credit using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The net deferred tax liability as at March 31, 2015 is given below:

(In ₹ lakh)

Particulars	As at April 1, 2014	Add created during the year	Less reversed during the year	As at March 31,2015
Deferred tax liabilities				
Unamortised content	1,240.58	0	0	1,240.58
Depreciation and capital loss	(0.91)	0	16.36	(17.27)
Adjustment for change in tax rate	(51.16)	0	0	(51.16)
Total	1,188.51	0	16.36	1,172.15

		March 31, 2015		March 31, 2014
NOTE 6		₹		₹
SHORT TERM BORROWINGS				
Secured				
Overdraft with Yes Bank Ltd (Secured against current assets)		48,944,809		0
		48,944,809		0
NOTE 7				
TRADE PAYABLE				
Total outstanding dues to micro, small and medium enterprises		0		0
Others				
For cinematic and television content	36,801,531		37,435,519	
For expenses and other liabilities	1,484,808	38,286,339	2,925,272	40,360,791
		38,286,339		40,360,791

NOTE 7.1

The Company has not received any intimation from suppliers regarding the status under The Micro, Small And Medium Enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

	March 31, 2015	March 31, 2014
NOTE 8	₹	₹
OTHER CURRENT LIABILITIES		
Advances and liabilities	43,504,991	39,170,587
Current maturity of secured long term finance lease obligation (payable within one year - secured against the hypothecation of vehicles)		
ICICI Bank Ltd	326,061	361,836
Kotak Mahindra Prime Ltd	718,981	677,813
Daimler Financial Services Pvt India Ltd	580,754	518,885
Unclaimed dividend*	56,297	554,362
	45,187,084	41,283,483

•This figure does not include any amounts, due and outstanding to be credited to Investor Education and Protection Fund.

	March 31, 2015	March 31, 2014
NOTE 9	₹	₹
SHORT TERM PROVISION		
Provision for tax	0	13,339,936
	0	13,339,936

NOTE 10

TANGIBLE ASSETS ₹

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	As at April 1, 2014	Additionns	Deductions	As at March 31, 2015	As at April 1, 2014	For the year	Deductions	Total	As at March 31, 2015	As at March 31,2014
Improvement to leasehold premises	723,764	0	0	723,764	701,900	21,864	0	723,764	0	21,864
Furniture and fixtures	1,465,509	0	0	1,465,509	691,771	363,123	0	1,054,894	410,615	773,738
Office equipments	9,261,980	136,674	0	9,398,654	3,552,597	4,683,720	0	8,236,317	1,162,337	5,709,383
Motor cars	12,002,155	0	0	12,002,155	1,977,976	1,921,391	0	3,899,367	8,102,788	10,024,179
Computers, printers and software	2,690,542	0	0	2,690,542	2,028,973	447,432	0	2,476,405	214,137	661,569
Total	26,143,950	136,674	0	26,280,624	8,953,217	7,437,530	0	16,390,747	9,889,877	17,190,733
As on March 31, 2014	23,100,726	4,291,404	1,248,180	26,143,950	8,136,904	1,895,653	1,079,340	8,953,217	17,190,733	

Out of the total depreciation ₹ 7,437,530, an amount of ₹ 3,554,237 relates to assets whose life has expired before April 1, 2014 in terms of schedule II of the Companies Act, 2013 and the same has been recognised net of deferred tax in the opening balance of retained earnings and the balance ₹ 3,883,293 has been charged to statement of profit and loss.

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 11		
NON CURRENT INVESTMENTS		
Long term investments		
Unquoted investments		
In subsidiary company		
PNC Digital Ltd	7,019,700	7,019,700
498,900 (L Y 498,900) equity shares of face value of ₹10 each fully paid up		
In wholly owned subsidiary company		
PNC Wellness Ltd	29,100,000	29,100,000
660,000 (L Y 660,000) equity shares of ₹10 each fully paid up		
Quoted investments		
Moving Picture Company (India) Ltd	126,350	143,450
95,000 (L Y 95,000) equity shares of face value ₹ 10 each fully paid up		
Market value ₹1.33 (L Y ₹1.51) per share		
	36,246,050	36,263,150

NOTE 11.1

Aggregate value of quoted and unquoted investments

	March 31, 2015		March 31, 2014	
	Book Value	Market Value	Book Value	Market Value
Quoted investments	126,350	126,350	143,450	143,450
Unquoted investments	36,119,700	N A	36,119,700	N A

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 12		
LONG TERM LOANS AND ADVANCES		
Advances to subsidiary	56,160,687	55,382,584
Income tax	9,352,991	21,639,562
Other advances (Refer note 32 and 38)	126,060,601	126,780,147
Security deposits	3,044,140	4,147,304
Advance for content (Refer note 38)	189,787,957	194,475,517
	384,406,376	402,425,114
NOTE 13		
CINEMATIC AND TELEVISION CONTENT		
At cost or net realisable value whichever is lower		
(As valued and certified by management) - Refer note 33		
Unamortised content	374,672,765	374,672,765
Unexploited content	26,140,000	26,140,000
Unfinished content	136,313,132	3,000,000
Production property	0	181,708
	537,125,897	403,994,473
NOTE 14		
TRADE RECEIVABLES		
Unsecured, considered good		
Over six month	2,789,263	5,921,641
Others	561,800	2,048,098
	3,351,063	7,969,739
NOTE 15		
CASH AND BANK BALANCES		
Cash at bank - unpaid dividend account	56,297	554,362
Cash at bank - fixed deposits	52,808,101	166,592,587
(Includes ₹ Nil (L Y ₹ 10,000,000) kept under lien with Bank against secured loan)		
Cash at bank - current account	128,575	(95,309)
Cash and impress account	11,392	9,336
	53,004,365	167,060,976

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 16		
SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
a. Loans		
Staff	150,000	0
b. Advances		
Advances to wholly owned subsidiary		
PNC Wellness Ltd	0	18,868,870
(Refer note 37)		
Other advances	27,237,414	18,338,682
c. Pre paid expenses	299,757	391,737
	27,687,171	37,599,289
NOTE 17		
OTHER CURRENT ASSETS		
Accrued interest on fixed deposits	2,337,157	2,446,775
	2,337,157	2,446,775
NOTE 18		
REVENUE FROM OPERATIONS		
Sales - owned content*	650,000	2,000,000
Income from co0production activity	0	355,005,000
Services*		
In film promotion	0	22,347,346
Consultancy services	3,560,600	0
Event services	0	10,000,000
	4,210,600	389,352,346
*The above income is net of VAT and service tax		
NOTE 18.1		
EARNING IN FOREIGN CURRENCY		
Owned content [AUD Nil (L Y AUD 108,000)]	0	5,733,221
	0	5,733,221
NOTE 19		
OTHER INCOME		
Interest on fixed deposits	8,000,116	17,608,523
[TDS ₹ 884,916 (L Y ₹ 1,777,865)]		
Interest on income tax refund	265,259	478,202
Rebate and credit balances written back	689,045	2,304,840
Provisions written back	8,655,211	0
Miscellaneous income	119,127	40,252
	17,728,758	20,431,817
NOTE 20		
COST OF CONTENT		
Cost of event services	0	4,050,157
Cost of content - own content	133,313,132	0
Cost of content - production/ co-production/ promotion	0	269,678,847
	133,313,132	273,729,004
NOTE 20.1		
Expenditure in foreign currency		
Shooting expenses [USD 45,000 (L Y USD Nil)]	2,827,108	0
Shooting expenses [Thai Baht 10,027,357 (L Y Thai Baht Nil)]	19,831,971	0
Shooting expenses [AUD Nil (L Y AUD 173,694)]	0	9,900,226
	22,659,079	9,900,226

		March 31, 2015		March 31, 2014
NOTE 21				
CHANGES IN INVENTORIES				
Opening balance as at April 1, 2014				
Unamortised content	374,672,765		401,573,701	
Unexploited content	26,140,000		26,140,000	
Unfinished content	3,000,000	403,812,765	3,000,000	430,713,701
Less: Closing balance as at March 31, 2015				
Unamortised content	374,672,765		374,672,765	
Unexploited content	26,140,000		26,140,000	
Unfinished content	136,313,132	537,125,897	3,000,000	403,812,765
		(133,313,132)		26,900,936

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 22		
EMPLOYEE BENEFITS EXPENSES		
Salaries	13,230,829	9,154,819
Group gratuity obligation	1,074,311	135,227
	14,305,140	9,290,046

NOTE 22.1

The disclosures as required under the Accounting Standard (AS) 15 (Revised) in respect of gratuity, a defined benefit scheme is as follows:

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

During the year, Company has recognised the following amounts in the financial statements:

	March 31, 2015	March 31, 2014
a. Defined contribution plan		
• Contribution to defined contribution plan, recognised as expense for the year are as under		
Employer's contribution to Provident Fund	0	0
b. Defined benefit plan		
Particular		
• Reconciliation of opening and closing balances of Defined benefit obligation		
Defined benefit obligation at the beginning of the year	3,480,747	3,064,354
Current service cost	324,754	312,261
Interest cost	351,288	252,809
Actuarial (gain)/ loss	745,553	(148,677)
Benefit paid	(37,662)	0
Defined benefit obligation at the end of year	4,864,680	3,480,747
• Reconciliation of opening and closing balances of fair value of plan assets defined benefit obligation		
Fair value of plan assets at the beginning of the year	3,495,203	2,956,200
Expected return on plan assets	304,083	257,189
Actuarial gain/ (loss)	43,201	23,977
Employers contribution	397,211	257,837
Benefit paid	(37,662)	0
Fair value of plan assets at the end of the year	4,202,036	3,495,203
• Actual return on plan assets		
Expected return on plan assets	304,083	257,189
Actuarial gain/ (loss) on plan assets	43,201	23,977
Actual return on plan assets	347,284	281,166
• Reconciliation of fair value of plan assets and benefit obligation		
Fair value of assets as at March 31, 2015	4,202,036	3,495,203
Present value of obligation as at March 31, 2015	(4,864,680)	(3,480,747)
Amount recognised in Balance Sheet	(662,644)	14,456
• Expenses recognised during the year		
Current service cost	351,288	312,261
Interest cost	324,754	252,809
Expected return on plan assets	(304,083)	(257,189)
Actuarial (gain)/ loss	702,352	(172,654)
Expenses recognised in Statement of Profit and Loss	1,074,311	135,227

• 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.

• Actuarial Assumptions		
Discount rate (per annum)	7.99%	9.33%
Salary escalation (per annum)	7%	7%

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 23		
FINANCE COST		
Finance charges	488,078	367,976
Processing and documentation charges	500,000	6,700
Interest on overdraft	2,676,456	0
Interest on secured loan	0	3,526,027
	3,664,534	3,900,703
NOTE 24		
OTHER EXPENSES		
Auditors' remuneration	500,058	455,058
Bad debts written off	2,448,938	1,050,000
Business promotion expenses	3,189,304	1,444,415
Communications expenses	368,773	350,326
Contract service expenses	5,947,904	4,063,773
Conveyance and motor car expenses	2,167,821	1,745,736
Diminution in value of investment	17,100	1,900
Directors sitting fees	1,260,000	640,000
General expenses	2,970,896	2,830,799
Insurance charges	259,075	334,950
Internet subscription and website expenses	323,416	218,221
Electricity Charges	519,583	528,579
Legal, professional and consultancy fees	2,522,798	1,881,969
Interest on service tax	52,701	193,226
Printing and stationery	375,200	325,628
Rent, rates, taxes and business service centre charges	6,174,193	5,707,016
Provision for taxes	0	17,500,000
Research and development expenses	672,732	574,714
Traveling expenses	1,949,179	3,527,164
	31,719,671	43,373,474

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 24.1		
Payment to Auditors		
a. Statutory audit fees	264,046	264,046
b. Certification, VAT audit and other fees	236,012	191,012
	500,058	455,058
NOTE 24.2		
Expenditure in foreign currency		
Traveling expenses [USD Nil (L Y USD 6,000)]	0	377,400
Traveling expenses [AED Nil (L Y AED 18,000)]	0	316,650
	0	694,050
NOTE 24.3		
Operating lease		
In respect of premises		
Not later than one year	6,303,800	6,095,300
Later than one year and not later than five years	14,185,865	18,718,665
Later than five years	0	0
	20,489,665	24,813,965
NOTE 25		
Earning per share (EPS)		
Net profit/ (loss) after tax a per statement of profit and loss attributable to equity share holders	(52,938,187)	45,548,705
Weighted average number of equity shares used as denominator for calculating EPS	14,467,000	14,467,000
Basic and diluted earning per share	(3.66)	3.15
Face value per equity share	10	10
NOTE 26		
Particulars		
Estimated amount of contracts to be executed on capital account. (Net of capital advances)	0	0
NOTE 27		
Bank guarantee issued by the bankers	0	0
NOTE 28		
CONTINGENT LIABILITIES		
a. Claims against the Company not acknowledged as debts.	150,100,000	150,100,000
b. VAT Liability	1,876,028	1,876,028
Future cash outflow in respect of (a) and (b) above are determinable only on receipt of judgment/ decision pending with authorities.		
NOTE 29		
Dividend remitted in foreign currency	0	0
NOTE 30		
a. CIF value of imports	0	0
b. FOB value of imports	0	0

NOTE 31

The Company is engaged in the production/ making of cinematic and television content, which requires various types, qualities and quantities of raw materials and inputs in different denominations. Due to the multiplicity and complexity of the items it is not practicable to maintain the quantitative record/ continuous stock register, as the process of making content is not amenable to the same. Hence quantitative details are not maintained. Physical stock of finished content is taken at the end of year.

NOTE 32

Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantees of ₹ 75,050,000 were ongoing before former Chief Justice YV Chandrachud. The parties completed the pleadings before the Arbitrator but unfortunately he passed away in July 2008 while the cross examinations were on. The Company had filed a petition before the Hon. High Court at Bombay for appointment of a sole Arbitrator in place and stead of Justice Chandrachud in January 2009. The Bombay High Court appointed Justice BN Srikrishna, former Judge of Supreme Court of India as Sole Arbitrator vide order dated November 27, 2009 and the arbitration proceedings are ongoing. Opinion obtained by the Company from Justice AM Ahmadi, former Chief Justice of the Supreme Court of India, supports the Company's stand that the amount is fully recoverable. In view of this, the management of the Company does not consider it necessary to make a provision there against in the accounts. The Company is showing amount withheld by Prasar Bharti as "Long Term Loans and Advances".

NOTE 33

Accounting Standard (AS) 26 on "Intangible Assets" states that 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 other new versions etc., and hence is of the view that the useful life of the cinematic content is 20 years. Hence, amortisation of ₹ 130,765,327 in respect of cinematic content having life of more than 10 years, is not required to be made. The Company is in line with International Accounting Practices and is a step towards complying with IFRS norms.

The details of cinematic and television content is as under

	Cinematic content ₹	Television content ₹	Total ₹
Gross carrying amount as at April 1, 2014	1,680,227,637	811,389,424	2,491,617,061
Add: Additions during the year	133,313,132	0	133,203,132
Total	1,813,540,769	811,389,424	2,624,930,193
Less: Amortised up to March 31, 2014	1,299,414,872	788,389,424	2,087,804,296
Less: Amortised during the year	0	0	0
Net carrying amount as at March 31, 2015	514,125,897	23,000,000	537,125,897

The total cost of content as at March 31, 2015 is ₹ 537,125,897. 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.

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 was pledged to Yes Bank Ltd as security for overdraft facility of ₹ 50,000,000.

NOTE 34

As per Accounting Standard (AS) 28 on "Impairment of Assets", the Company has assessed whether there is any indications that any assets has impaired. Since the carrying amount is less than the recoverable amount, there is no necessity for making any provision for impairment.

NOTE 35

SEGMENT INFORMATION

During the year, the Company operated in only one business segment viz content segment.

NOTE 36

RELATED PARTY DISCLOSURE

In accordance with Accounting Standard (AS) 18 "Related Party Disclosure", the disclosure in respect of transactions with the companies related parties are as given below:

1. Subsidiaries of the Company
   a. PNC Digital Ltd
   b. PNC Wellness Ltd (wholly owned subsidiary)
2. Key managerial personnel
   a. Pallab Bhattacharya – Wholetime Director and CEO
   b. Rangita Pritish Nandy – Wholetime and Creative Director
   c. Rupali Vaidya – Erstwhile Company Secretary
3. Non executive Directors and their relationships
   a. Pritish Nandy – Non Executive Chairman
   b. Rina Pritish Nandy – Non Executive Director
   c. Udayan Bose – Non Executive, Independent Director
   d. Nabankur Gupta – Non Executive, Independent Director
   e. Vishnu Kanhere – Non Executive, Independent Director
   f. Hema Malini – Non Executive, Independent Director
   g. Ishita Pritish Nandy – daughter of Non Executive Chairman

Details relating to parties/ persons referred to in above items are as under

In ₹ lakh

	Nature of transaction	March 31, 2015	March 31,2014
Subsidiary company	Advances given	58.58	162.82
	Advance/ loan received back	21.06	26.72
	Advance to PNC Wellness Ltd written off	218.43	0
	Balance outstanding as at year end Receivable	561.61	742.52
Key management personnel	Remuneration/ Reimbursement	62.05	36.07
	Balance outstanding as at year end Payable	4.80	2.63
Non-executive directors and their relatives	Remuneration/ Reimbursement/ sitting fees	40.02	18.40
	Professional Fees	96.00	60.00
	Balance outstanding at year end payable	14.09	10.37

Related Party relationship is as identified by the Company and relied upon by the Auditors.

The Company has incurred loss during the year. In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed by Schedule V read with Section 197 of the Companies Act 2013 is restricted to ₹ 4,200,000 for the year. The company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed by ₹ 1,554,000. The excess remuneration paid is subject to approval of the shareholders of the Company by a special resolution in the forthcoming annual general meeting. Alternatively the same shall be recoverable from the managerial personnel.

NOTE 37

The company has an investment of ₹ 29,100,000 (L Y ₹ 29,100,000) in equity shares of wholly owned subsidiary viz PNC Wellness Limited and of ₹ 7,019,700 (L Y ₹ 7,019,700) in equity shares of subsidiary viz PNC Digital Limited as at March 31, 2015. Further temporary advances of ₹ 21,843,002 given to wholly owned subsidiary viz PNC Wellness Limited towards operating expenses were waived and written off during the year to support the revival of the subsidiary.

NOTE 38

Loans and Advances of ₹ 46,753,181 includes: i) ₹ 15,000,000 advanced against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights and ii) ₹ 31,753,181 being balance amount advanced towards joint production of a film where the Company has joint re-exploitation rights. The Company has initiated recovery proceedings in respect of the aforesaid advances. i) The Company has filed a Summary Suit with the Hon. High Court at Bombay which is pending hearing and disposal and ii) The Company has initiated arbitration proceedings which are ongoing before Justice Smt KK Baam (Retired). The management considers the same are good and fully recoverable. Legal opinion obtained by the Company from SF Rego, Judge (Retired), City Civil and Sessions Court, Mumbai, supports this and consequently no provision has been made in the accounts at this stage. The Company is showing these amounts as "Long Term Loans and Advances".

NOTE 39

In the opinion of the management investments, current assets and loans and advances are of the value stated in the financial statements are realisable in the ordinary course of business. The provisions for all known liabilities and depreciation are adequate and are not in excess of the amounts considered, reasonably necessary.

NOTE 40

There are no dues payable to the Investor Education and Protection Fund as at March 31, 2015.

NOTE 41

All known liabilities have been provided in the books of accounts.

NOTE 42

The previous year figures have been regrouped/ reclassified, wherever necessary to bring conformity to the current year's presentation.

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

STANDALONE CASH FLOW STATEMENT

For the year ended March 31, 2015

		March 31, 2015 ₹	March 31, 2014 ₹
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/ (loss) before taxes	(53,476,282)	50,694,347
	Bad debts written off	2,448,938	1,050,000
	Depreciation	3,883,293	1,895,653
	Finance cost	3,664,534	3,900,703
	Provision for tax	0	17,500,000
	Diminution in value of investments	17,100	1,900
	Advance to subsidiary company written off	21,843,002	0
	Sundry creditors balances written back	(689,045)	(2,304,840)
	Provisions written back	(8,655,211)	0
	Interest on fixed deposit	(8,000,116)	(17,608,523)
	Operating cash flow before working capital changes	(38,963,787)	55,129,240
	Adjusted for:		
	Cinematic and television content	(133,021,424)	26,719,228
	Trade receivables	2,169,738	(666,019)
	Long term loan and advances	(16,844,200)	83,913,603
	Short term loans and advances	9,802,117	(28,728,295)
	Other current assets	109,619	4,928,730
	Trade payables	(1,385,407)	19,961,566
	Other current liabilities	12,558,812	(207,386,914)
	Cash generated from operations before taxes paid:	(165,574,532)	(46,128,861)
	Direct taxes paid	0	(1,016,900)
	Net cash from/ (used) in operating activities	(165,574,532)	(47,145,761)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(136,674)	(4,291,405)
	Sale of fixed assets	0	56,990
	Changes in investments	0	(20,500)
	Interest on fixed deposit	8,000,116	17,608,523
	Net cash from/ (used) in investing activities	7,863,442	13,353,608
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowing	48,944,809	3,200,000
	Repayment of borrowing	(1,625,796)	(51,748,806)
	Finance and other charges paid	(3,664,534)	(3,900,703)
	Net cash from/ (used) in financing activities	43,654,479	(52,449,509)
	Net changes in cash and cash equivalents (A+B+C)	(114,056,611)	(86,241,662)
	Cash and cash equivalents- opening balance	167,060,976	253,302,638
	Cash and cash equivalents- closing balance	53,004,365	167,060,976

Notes:

1. The above cash flow statement has been prepared as per indirect method.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
3. Figures in brackets represents deductions/ outflows.
4. Previous year figures have been regrouped wherever necessary.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2015

		March 31, 2015 ₹	March 31, 2014 ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/ (loss) before taxes	(50,975,671)	41,838,989
	Bad debts written off	2,448,938	1,050,000
	Depreciation	6,753,545	3,338,289
	Diminution in value of investments	17,100	1,900
	Advances written off	17,891	11,969
	Provision of tax	0	17,500,000
	Finance cost	3,664,534	4,761,663
	Loss on sale of assets	13,635,302	2,846,412
	Sundry creditors balances written back	(1,743,875)	(2,839,964)
	Provisions written back	(8,655,221)	0
	Interest on fixed deposit	(8,076,448)	(18,020,631)
	Operating cash flow before working capital changes	(42,913,905)	50,488,627
	Adjusted for:		
	Cinematic and television content	(133,021,424)	26,289,847
	Trade receivable	2,229,738	(865,193)
	Long term loans and advances	19,063,002	84,374,776
	Short term loans and advances	(25,795,490)	(14,926,347)
	Other current assets	280,095	5,137,710
	Trade payables	(713,364)	19,652,175
	Other current liabilities	9,452,819	(210,701,168)
	Cash generated from operations	(171,418,529)	(40,549,573)
	Direct taxes paid	0	(1,069,453)
	Net cash from/ (used) in operating activities	(171,418,529)	(41,619,026)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(136,674)	(4,487,344)
	Sale of fixed assets	2,500,000	56,990
	Change in minority interest	0	(20,500)
	Interest on fixed deposit	8,076,448	18,020,631
	Net cash from/ (used) in investing activities	10,439,774	13,569,777
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowings	48,944,809	3,200,000
	Repayment of borrowings	(1,625,796)	(58,873,805)
	Finance and other charges paid	(3,664,534)	(4,761,663)
	Net cash from/ (used) in financing activities	43,654,479	(60,435,468)
	Net changes in cash and cash equivalents (A+B+C)	(117,324,276)	(88,484,717)
	Cash and cash equivalents- opening balance	170,786,163	259,270,880
	Cash and cash equivalents- closing balance	53,461,887	170,786,163

Notes

1. The above cash flow statement has been prepared as per indirect method.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Figures in brackets represents deductions/ outflows.
4. Previous year figures have been regrouped wherever necessary

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993
Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The members of
Pritish Nandy Communications Ltd

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Financial Statements of Pritish Nandy Communications Ltd (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as “the consolidated financial statements”).

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITORS’ RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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 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, 2015 and their consolidated loss and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to note 32 to 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 ₹ 75,050,000. The arbitration proceedings are ongoing since 2008. 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 at this stage. Our opinion is not qualified in respect of this matter.

We further draw attention to note 38 to the consolidated financial statements which describes the facts related to the legal proceedings initiated by the Company for the recovery of loans and advances aggregating to ₹ 46,753,181. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this. We have relied on the same and consequently no provision of any amount there against is made at this stage. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors’ reports of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure 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, 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, 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, 2015 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
    f. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. the Holding Company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed of ₹ 4,200,000 by Schedule V read with Section 197 of the Act. The excess amount of ₹ 1,554,000 is subject to approval of the shareholders of the Holding Company by a special resolution in the forthcoming annual general meeting as referred to in note 36.
        ii. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer note 28 to the consolidated financial statements.
        iii. The Group did not have any material foreseeable losses on long term contracts including derivative contracts.
        iv. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amount which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies.

For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, May 25, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

1. a. The group companies have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   b. The fixed assets have been fully disposed of by the subsidiary company viz. PNC Wellness Ltd during the year. As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

2. In case of Holding Company, 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 and also does not carry out physical verification of stock. However management of the Holding Company physically verifies the finished content in the hand at the end of the year.The Subsidiary Companies did not carry on any manufacturing or trading activity and did not have any stock during the year. Hence, clauses a, b and c of paragraph 3 (ii) of the Companies (Auditor's Report) Order, 2015, are not applicable to the Subsidiary Companies.

3. As informed to us, the group companies have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 other than;

   a. the temporary interest free advances by the Holding Company to its wholly owned subsidiary viz. PNC Wellness Ltd. for meeting its operational expenses amounting to ₹ 21,843,002 which has been waived during the year, and

   b. the temporary interest free advances by the holding company to its subsidiary viz. PNC Digital Ltd for content production account amounting to ₹ 56,160,687 as at the year end.

   As explained to us there are no terms for repayment of these temporary advances.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the group companies and the nature of business of the group companies for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in such internal control systems.

5. In our opinion and according to the information and explanations given to us, the group companies have not accepted any deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable.

6. We have broadly reviewed the books of account and records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete. We are informed by the Company that provisions of Section 148 (1) of the Act are not applicable to its subsidiary companies.

7. a. The group companies are regular in depositing undisputed statutory dues payable in respect of including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed statutory dues as mentioned above in arrears as at March 31, 2015 for a period of more than six months from the date they became payable except as follows in case of the Holding Company:

Name of statute	Nature of dues	Period to which relate	Amount ₹	Forum where pending
VAT Act, 2005	VAT	FY 2003-04	1,520,760	JT Commissioner of Sales Tax (Appeals) II, Mumbai City Division, Mumbai
VAT Act, 2005	VAT	FY 2004-05	355,268	JT Commissioner of Sales Tax (Appeals) II, Mumbai City Division, Mumbai

   b. According to information and explanations given to us, there are no dues of service tax and income tax which have not been deposited on account of any dispute.

   c. According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund within time by the Holding Company and there are no amounts payable to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under in case of subsidiary companies.

8. The consolidated financial statements of the group have accumulated losses as at March 31, 2015 which are less than fifty percent of the networth of the group. The Holding Company and its subsidiary viz. PNC Digital Ltd have incurred cash losses in the current year and have earned cash profits in the immediately preceding financial year. In case of another subsidiary viz PNC Wellness Ltd, has not incurred cash losses in the current financial year and in the immediately preceding financial year.

9. According to the information and explanations given to us, the group has not defaulted in repayment of dues to any financial institutions or bank during the year.

10. According to the information and explanation given to us, the group has not given any guarantee for loan taken by others from bank or financial institution.

11. The holding company has utilised term loan for the purpose for which it was obtained. The subsidiaries have not obtained term loans.

12. 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 group has been noticed or reported during the course of our audit.

For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993

Mumbai, May 25, 2015

As at March 31, 2015

	Note No		March 31, 2015 ₹		March 31, 2014 ₹
EQUITY AND LIABILITIES					
1. Shareholders' funds					
a. Share capital	2	144,670,000		144,670,000	
b. Reserve and surplus	3	633,484,925	778,154,925	685,085,929	829,755,929
2. Minority interest			18,177		21,018
3. Non current liabilities					
a. Long term borrowings	4	1,910,090		3,535,886	
b. Deferred tax liabilities (net)	5	106,303,689	108,213,779	109,229,752	112,765,638
4. Current liabilities					
a. Short term borrowings	6	48,944,809		0	
b. Trade payables	7	38,368,631		40,825,870	
c. Other current liabilities	8	51,193,724		50,396,131	
d. Short term provision	9	0	138,507,164	13,339,936	104,561,937
			1,024,894,045		1,047,104,522
ASSETS					
1. Non current assets					
a. Fixed assets					
Tangible assets	10	9,889,879		36,196,287	
b. Non current investments	11	126,350		143,450	
c. Long term loans and advances	12	390,010,705	400,026,934	409,091,607	445,431,344
2. Current assets					
a. Cinematic and television content	13	534,047,019		400,915,595	
b. Trade receivables	14	3,931,437		8,610,113	
c. Cash and bank balances	15	53,461,887		170,786,163	
d. Short term loans and advances	16	31,087,383		18,741,827	
e. Other current assets	17	2,339,385	624,867,111	2,619,480	601,673,178
			1,024,894,045		1,047,104,522
Significant accounting policies and notes on financial statements	1 to 43				

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor

Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs
Membership Number 032993

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

For the year ended March 31, 2015

	Note No	March 31, 2015 ₹	March 31, 2014 ₹
INCOME			
Revenue from operations	18	7,288,141	408,199,031
Other income	19	18,907,430	21,450,784
Total income		26,195,571	429,649,815
EXPENSES			
Cost of content	20	133,313,132	273,729,004
Changes in inventories of content	21	(133,313,132)	26,471,555
Employee benefits expenses	22	14,305,140	9,290,046
Finance cost	23	3,664,534	4,761,663
Depreciation	10	6,753,545	3,338,289
Other expenses	24	52,448,023	70,220,269
Total expenses		77,171,242	387,810,826
Profit/ (loss) before tax		(50,975,671)	41,838,989
Tax expense			
Current tax		0	13,372,752
Deferred tax		(1,827,804)	(10,217,609)
Profit/ (loss) from continuing operations		(49,147,867)	38,683,846
Share of minority interest		2,841	(161)
Net profit/ (loss) after minority interest		(49,145,026)	38,683,685
Earning per equity share			
Basic and diluted	25	(3.40)	2.67
Significant accounting policies and notes on financial statements	1 to 43		

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor

Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs
Membership Number 032993

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

NOTE 1 BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF CONSOLIDATION

1. The consolidated financial statements relate to Pritish Nandy Communications Ltd and its Subsidiaries.

2. Basis of accounting

The financial statements of the Subsidiaries Company viz PNC Digital Ltd (Formerly known as PNC Productions Ltd) and PNC Wellness Ltd, used in the consolidation are drawn upto the same reporting date as of the Company i e year ended March 31, 2015. The financial statements of the Company and its Subsidiaries have been prepared in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles.

3. Principles of consolidation

The consolidated financial statements have been prepared on the following basis. The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

4. Information on subsidiary companies

The following subsidiaries are considered in the consolidated financial statements

Name of the Company	% of holding
a. PNC Digital Ltd	99.78
b. PNC Wellness Ltd	100

B. SIGNIFICANT ACCOUNTING POLICIES

1. General

a. The financial statements have been prepared as per historical cost convention and in accordance with generally accepted accounting policies.

b. Expenses and revenue are generally accounted for on accrual basis, except those associated with significant uncertainties and ex-gratia which are accounted on cash basis.

2. Revenue recognition

a. In respect of commissioned content/ content produced/ acquired, income is recognised as on date of delivery of Digi Betas.

b. In respect of sponsored content/ content produced/ acquired, income is recognised as and when the relevant content is telecast.

c. In respect of cinematic content produced/ acquired income is recognised on the following basis:

i. In respect of cinematic content, which is not complete i e under production, no income is recognised.

ii. In respect of cinematic content, which is complete but not released, income is recognised as – so much of the estimated income on release as bears to the whole of the estimated income the same proportion as the actual recoveries/ realisations/ confirmed contracts bears to the total expected realisations.

iii. In respect of cinematic content completed and released during the year, income is recognised on release/ delivery of release prints except income, if any, already recognised as per clause (ii) above.

iv. In respect of cinematic content, which is complete but not released, income from streams other than theatrical release is recognised on the basis of contracts/ deal memo and delivery of Digi Betas.

v. In respect of music rights, income is recognised on its release or exploitation contract.

d. In respect of consultancy services, income is recognised as and when services are actually rendered resulting in enforceable claim.

e. In respect of wellness business, income from membership fee is recognised over the period of membership.

f. In respect of services rendered in wellness business, income is recognised as and when services are rendered.

g. In respect of PNC Digital Ltd, income from professional/ supervision activity is recognised as and when services are actually rendered resulting in enforceable claim.

h. Dividend from investments is recognised when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists. Interest income is recognised on accrual basis.

3. Cinematic content

The cinematic content has been valued on the following basis:

a. Incomplete cinematic content	:	at lower of allocated/ identified cost or net realisable value.
b. Abandoned/ shelved cinematic content	:	at lower of cost or net realisable value.
c. 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, exhibition rights, other rights and residual rights on an equitable basis.

Basis of amortisation of allocated costs

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

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

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

c. Residual rights are amortised on an equitable basis.

The Company estimates useful life of the cinematic content over 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.

4. Television content

The television content has been valued on the following basis

Unexploited television content	:	at lower of average of allocated cost or net realizable value.
Unfinished television content	:	at lower of average of allocated cost or net realizable value.
Production property	:	at lower of allocated cost or net realisable value.

Exploited television content is amortised as under

Exploited television content	:	at lower of unamortised cost as estimated by the management on the following basis or net realizable value

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

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

Notes

a. 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 telecasts as per the chart depicted above.

b. The production costs are amortised as per the above referred policy followed by the Company.The production costs are revenue costs and are treated as such for the purposes of taxation.

c. The Company retains one copy of its own television content for record purpose.

5. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises purchase price including any attributable cost of bringing the asset to its working condition for its intended use and any other identifiable direct expenses.

All expenditure incurred prior to commencement of project is carried forward as pre-operative expenditure which would be capitalised/ written off on commencement of business.

6. Depreciation

a. Depreciation on tangible fixed assets is provided on the straight line method over the useful life of assets as prescribed under part C of Schedule II of the Act.

b. In case of assets whose useful life is already exhausted as on April 1, 2014, the carrying value, net of residual value and deferred tax has been adjusted in retained earning in accrodance with the requirements of Schedule II of the Act.

c. No depreciation has been charged on the assets, which have not been put to use during the period.

d. Depreciation on addition/ deletion to assets is calculated on a pro-rata basis from the month of addition and till month of deletion.

e. Depreciation on improvement to leave and licence premises is calculated over the period of leave and licence.

7. Taxation

Current tax: Provision for current tax for the year has been made after considering deductions/ allowances/ claims admissible to the Company under the Income Tax Act, 1961.

Deferred tax: Deferred tax is recognised, on timing differences, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

8. Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary. Current investments are stated at lower of cost or market value.

9. Contingent liabilities

No provision has been made for liabilities, which are contingent in nature.

10. Foreign currency transactions

a. Transactions in foreign currency are recorded at the rate prevailing on the date when the amount is received or remitted.

b. Foreign currency assets and liabilities are converted into rupee at the exchange rate prevailing on the Balance Sheet date; gains/ losses are reflected in the statment of profit and loss.

c. Exchange difference on account of acquisition of fixed assets is adjusted to carrying cost of fixed assets.

11. Retirement benefits

a. Regular contributions are made to Provident Fund and charged to revenue.

b. The Company contributes to Employees Group Saving Linked Insurance Scheme with Life Insurance Corporation of India to cover its liability towards employee gratuity.

c. The Company does not have any policy for leave encashment.

12. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. The qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

13. Impairment of assets

At Balance Sheet date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognised in the accounts to the extent the carrying amount exceeds, the recoverable amount.

14. Provisions and contingencies

The Company recognises a provision when there is a present obligation as a result of past events, that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statement.

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 2		
SHARE CAPITAL		
Authorised share capital	200,000,000	200,000,000
20,000,000 (L Y 20,000,000) equity shares of ₹ 10 each		
Issued, subscribed and fully paid up		
14,467,000 (L Y 14,467,000) equity shares of ₹ 10 each	144,670,000	144,670,000
	144,670,000	144,670,000

NOTE 2.1

Company has only one class of share referred to as equity share with voting right.

NOTE 2.2

The reconciliation of the number of shares outstanding is set out below

Particulars	March 31, 2015		March 31, 2014	
	Number of shares	Amount ₹	Number of shares	Amount ₹
Equity shares				
Opening balance as at April 1, 2014	14,467,000	144,670,000	14,467,000	144,670,000
Add: Issued during the year	0	0	0	0
Closing balance as at March 31, 2015	14,467,000	144,670,000	14,467,000	144,670,000

NOTE 2.3

The details of share holders holding more than 5% shares

Name of shareholder	March 31, 2015		March 31, 2014	
	Number of share held	% held	Number of share held	% held
Pritish Nandy	2,952,197	20.41	2,952,197	20.41
Artinvest India Pvt Ltd	1,394,789	9.64	1,394,789	9.64
Cresta Fund Ltd	1,000,000	6.91	1,000,000	6.91
Elara India Opportunities Fund Ltd	1,000,000	6.91	1,000,000	6.91
APMS investment Fund Ltd	1,000,000	6.91	0	0.00
Mavi Investment Fund Ltd	0	0.00	1,000,000	6.91

		March 31, 2015 ₹		March 31, 2014 ₹
NOTE 3				
RESERVES AND SURPLUS				
Capital reserve				
Opening balance as at April 1, 2014	36,865		36,865	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	36,865	36,865	36,865	36,865
General reserve				
Opening balance as at April 1, 2014	22,098,279		22,098,279	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	22,098,279	22,098,279	22,098,279	22,098,279
Surplus/ (deficit) in statement of profit and loss	(9,008,035)		(47,691,720)	
Opening balance as at April 1, 2014				
Add: Current years profit/ (loss)	(49,145,026)		38,683,685	
Add: Deferred tax reversed on assets written off	1,098,259		0	
Less: Assets written off due to increase in rate of depreciation	3,554,237		0	
Closing balance as at March 31, 2015	(60,609,039)	(60,609,039)	(9,008,035)	(9,008,035)
Security premium reserve				
Opening balance as at April 1, 2014	671,958,820		671,958,820	
Add: Transferred during the year	0		0	
Closing balance as at March 31, 2015	671,958,820	671,958,820	671,958,820	671,958,820
		633,484,925		685,085,929

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 4		
LONG TERM BORROWINGS		
Secured term loan		
Secured long term finance lease obligation		
(Secured against the hypothecation of vehicles)		
Kotak Mahindra Prime Ltd	0	718,981
Daimler Financial Services India Pvt. Ltd	1,910,090	2,490,844
ICICI Bank Ltd	0	326,061
	1,910,090	3,535,886

NOTE 4.1

Secured loans repayable in monthly equitable instalments are as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount ₹	Rate of interest p a	Amount ₹	Rate of interest p a
Repayable upto January, 2016	0	0	322,630	12.10%
Repayable upto February, 2016	0	0	396,351	11.83%
Repayable upto March, 2016	0	0	326,061	9.99%
Repayable upto November, 2018	1,910,090	11.32%	2,490,844	11.32%
Total	1,910,090		3,535,886	

NOTE 4.2

Finance lease commitments ₹

Particulars	March 31, 2015		March 31, 2014	
	Principal	Interest	Principal	Interest
Later than one year and not later than five years	1,910,090	311,638	3,535,856	621,109
Later than five years	0	0	0	0
Total	1,910,090	311,638	3,535,856	621,109

		March 31, 2015 ₹		March 31, 2014 ₹
NOTE 5				
DEFERRED TAXATION				
Deferred tax liabilities				
Opening balance as at April 1, 2014	118,851,430		127,045,724	
Less: DTL of assets written off due to increase of rate of depreciation	1,098,259	117,753,171	8,194,294	118,851,430
Deferred tax assets				
Opening balance as at April 1, 2014	9,621,678		7,598,363	
Add: Additional adjustment for current year	1,827,804	11,449,482	2,023,315	9,621,678
		106,303,689		109,229,752

NOTE 5.1

The Company estimates deferred tax charge/ credit using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. The net deferred tax liability as at March 31, 2015 is given below:

In ₹ lakh

Particulars	As at April 1, 2014	created during the year	reversed during the year	As at March 31, 2015
Deferred tax liabilities				
Unamortised content	1,233.20	0.00	0.00	1,233.20
Depreciation and capital loss	6.47	0.00	10.98	(4.51)
Adjustment for change in tax rate	(51.16)	0.00	0.00	(51.16)
Deferred tax asset				
Depreciation	(2.62)	(18.28)	0.00	(20.90)
Unabsorbed business loss	(93.60)	0.00	0.00	(93.60)
Net deferred tax liabilities	1,092.29	(18.28)	10.98	1,063.03

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 6		
SHORT TERM BORROWINGS		
Secured		
Overdraft with Yes Bank Ltd (Secured against current assets)	48,944,809	0
	48,944,809	0

NOTE 7				
TRADE PAYABLES				
Total outstanding dues to micro enterprises and small enterprises		0		0
Others				
For cinematic and television content	36,801,531		37,435,519	
For expenses and other liabilities	1,567,100	38,368,631	3,390,351	40,825,870
		38,368,631		40,825,870

NOTE 7.1

The Company has not received any intimation from suppliers regarding the status under The Micro, Small And Medium Enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 8		
OTHER CURRENT LIABILITIES		
Advances and liabilities	43,504,991	42,032,500
Current maturity of secured long term finance lease obligation (payable within one year - secured against the hypothecation of vehicles)		
ICICI Bank Ltd	326,061	361,836
Kotak Mahindra Prime Ltd	718,981	677,813
Daimier Financial Services India Pvt Ltd	580,754	518,885
Unclaimed dividend*	56,297	554,362
Deposits	2,493,000	3,513,000
Other liabilities	3,513,640	2,737,735
	51,193,724	50,396,131

*These figures does not include any amounts, due and outstanding to be credited to Investor Education and Protection Fund.

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 9		
SHORT TERM PROVISION		
Provision for tax	0	13,339,936
	0	13,339,936

NOTE 10

TANGIBLE ASSETS ₹

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additionns	Deductions	As at March 31, 2015	As at April 1, 2014	For the year	Deductions	Total	As at March 31, 2015	As at March 31, 2014
Improvement to leasehold premises	723,764	0	0	723,764	701,898	21,866		723,764	0	21,866
Furniture and fixtures	1,465,509	0	0	1,465,509	691,769	363,123		1,054,892	410,617	773,740
Gym and other equipment	26,379,467	0	26,379,467	0	7,373,915	2,870,252	10,244,167	0	0	19,005,552
Office equipments	9,261,980	136,674	0	9,398,654	3,552,597	4,683,720		8,236,317	1,162,337	5,709,383
Motor cars	12,002,155	0	0	12,002,155	1,977,977	1,921,389		3,899,366	8,102,789	10,024,178
Computers, printers and Software	2,853,042	0	0	2,853,042	2,191,474	447,432		2,638,906	214,136	661,568
Total	52,685,917	136,674	26,379,467	26,443,124	16,489,630	10,307,782	10,244,167	16,553,245	9,889,879	36,196,287
As on March 31, 2014	71,354,489	4,487,344	4,787,091	71,054,742	33,292,004	3,338,289	1,771,838	34,858,455	36,196,287	

Out of the total depreciation ₹ 10,307,782, an amount of ₹ 3,554,237 relates to assets whose life has expired before April 1, 2014 in terms of schedule II of the Companies Act, 2013 and the same has been recognised net of deferred tax in the opening balance of retained earnings and the balance amount of ₹ 6,753,545 has been charged to statement of profit and loss.

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 11		
LONG TERM INVESTMENTS		
Long term investments		
Quoted investments		
Moving Picture Company (India) Ltd	126,350	143,450
95,000 (L Y 95,000) equity shares of face value ₹10 each fully paid up		
Market value ₹ 1.33 per share (L Y ₹ 1.51 per share)		
	126,350	143,450

Aggregate value of quoted and unquoted investments

	As at March 31, 2015		As at March 31, 2014	
	Book Value	Market value	Book Value	Market value
Quoted investments	126,350	126,350	145,350	145,350
Unquoted investments	N A	N A	N A	N A

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 12		
LONG TERM LOANS AND ADVANCES		
Income tax	9,369,071	21,711,968
Other advances (Refer note 32 and 38)	126,060,601	126,780,147
Security deposits	6,044,140	7,467,304
Advance for content	248,444,628	253,132,188
Service tax set off	92,265	0
	390,010,705	409,091,607
NOTE 13		
CINEMATIC AND TELEVISION CONTENT		
At cost or net realisable value whichever is lower		
(As valued and certified by management) - Refere note 33		
Unamortised content	371,593,887	371,593,887
Unexploited content	26,140,000	26,140,000
Unfinished content	136,313,132	3,000,000
Production property	0	181,708
	534,047,019	400,915,595
NOTE 14		
TRADE RECEIVABLES		
Unsecured, considered good		
Over six month	3,369,637	6,362,841
Others	561,800	2,247,272
	3,931,437	8,610,113
NOTE 15		
CASH AND BANK BALANCES		
Cash at bank - unpaid dividend account	56,297	554,362
Cash at bank - fixed deposits	53,029,884	169,588,856
(Includes ₹ Nil (L Y ₹ 10,000,000) kept under line with bank against securied loan)		
Cash at bank - current account	314,045	528,231
Cash and imprest account	61,661	114,714
	53,461,887	170,786,163
NOTE 16		
SHORT TERM LOANS AND ADVANCES		
(Unsecured considered good)		
a. Loans		
Staff	150,000	0
b. Advances		
Other advances	30,637,626	18,348,533
c. Pre-paid expenses	299,757	393,294
	31,087,383	18,741,827

	March 31, 2015 ₹	March 31, 2014 ₹
NOTE 17		
OTHER CURRENT ASSETS		
Accrued interest on fixed deposits	2,339,385	2,619,480
	2,339,385	2,619,480
NOTE 18		
REVENUE FROM OPERATIONS		
Sales- Owned content*	650,000	2,000,000
Income from co-production activity	0	355,005,000
Services*		
In film promotion	0	22,347,346
Consultancy services	3,560,600	0
Wellness services	2,932,836	18,391,377
Event services	0	10,000,000
Other services	144,705	455,308
	7,288,141	408,199,031
*The above income is net of VAT and service tax		
NOTE 18.1		
Earning in foreign currency		
Owned content [AUD Nil (L Y AUD 108,000)]	0	5,733,221
	0	5,733,221
NOTE 19		
OTHER INCOME		
Interest on fixed deposits	8,076,448	18,020,631
(TDS ₹ 890,996 (L Y ₹ 1,825,505))		
Interest on income tax refund	293,567	504,315
Rebate and credit balances written back	1,743,875	2,839,964
Provisions written back	8,655,211	0
Miscellaneous income	138,329	85,874
	18,907,430	21,450,784
NOTE 20		
COST OF CONTENT		
Cost of content - own event	133,313,132	4,050,157
Cost of content - production/ co-production/ promotion	0	269,678,847
	133,313,132	273,729,004
NOTE 20.1		
Expenditure in foreign currency		
Shooting expenses [USD 45,000 (L Y USD Nil)]	2,827,108	0
Shooting expenses [Thai Baht 10,027,357 (L Y Thai Baht Nil)]	19,831,971	0
Shooting expenses [AUD Nil (L Y AUD 173,694)]	0	9,900,226
	22,659,079	9,900,226

		March 31, 2015 ₹		March 31, 2014 ₹
NOTE 21				
CHANGES IN INVENTORIES OF CONTENT				
Opening balance as at April 1, 2014				
Unamortised content	371,593,887		398,065,442	
Unexploited content	26,140,000		26,140,000	
Unfinished content	3,000,000	400,733,887	3,000,000	427,205,442
Less: Closing balance as ar March 31, 2015				
Unamortised content	371,593,887		371,593,887	
Unexploited content	26,140,000		26,140,000	
Unfinished content	136,313,132	534,047,019	3,000,000	400,733,887
		(133,313,132)		26,471,555
NOTE 22				
EMPLOYEE BENEFITS EXPENSES				
Salaries		13,230,829		9,154,819
Group gratuity obligation account		1,074,311		135,227
		14,305,140		9,290,046

NOTE 22.1

The disclosures as required under the Accounting Standard (AS) 15 (Revised) in respect of gratuity, a defined benefit scheme is as follows:

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

During the year, Company has recognised the following amounts in the financial statements:

	March 31, 2015 ₹	March 31, 2014 ₹
a. Defined contribution plan		
• Contribution to defined contribution plan, recognised as expense for the year are as under		
Employer's contribution to Provident Fund	0	0
b. Defined benefit plan		
Particular		
• Reconciliation of opening and closing balances of Defined benefit obligation		
Defined benefit obligation at the beginning of the year	3,480,747	3,064,354
Current service cost	324,754	312,261
Interest cost	351,288	252,809
Actuarial (gain)/ loss	745,553	(148,677)
Benefit paid	(37,662)	0
Defined benefit obligation at the end of year	4,864,680	3,480,747
• Reconciliation of opening and closing balances of fair value of plan assets defined benefit obligation		
Fair value of plan assets at the beginning of the year	3,495,203	2,956,200
Expected return on plan assets	304,083	257,189
Actuarial gain/ (loss)	43,201	23,977
Employers contribution	397,211	257,837
Benefit paid	(37,662)	0
Fair value of plan assets at the end of the year	4,202,036	3,495,203
• Actual return on plan assets		
Expected return on plan assets	304,083	257,189
Actuarial gain/ (loss) on plan assets	43,201	23,977
Actual return on plan assets	347,284	281,166
• Reconciliation of fair value of plan assets and benefit obligation		
Fair value of assets as at March 31, 2015	4,202,036	3,495,203
Present value of obligation as at March 31, 2015	(4,864,680)	(3,480,747)
Amount recognised in Balance Sheet	(662,644)	14,456
• Expenses recognised during the year		
Current service cost	351,288	312,261
Interest cost	324,754	252,809
Expected return on plan assets	(304,083)	(257,189)
Actuarial (gain)/ loss	702,352	(172,654)
Expenses recognised in Statement of Profit and Loss	1,074,311	135,227

• 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.

• Actuarial Assumptions		
Discount rate (per annum)	7.99%	9.33%
Salary escalation (per annum)	7%	7%

NOTE 23

FINANCE COST

	March 31, 2015 ₹	March 31, 2014 ₹
Finance charges	488,078	367,976
Processing and documentation charges	500,000	6,700
Interest on overdraft	2,676,456	0
Interest on secured loan	0	4,386,987
	3,664,534	4,761,663

NOTE 24

OTHER EXPENSES

	March 31, 2015 ₹	March 31, 2014 ₹
Advances written off	17,891	11,969
Auditors' remuneration	550,620	505,620
Bad debts written off	2,448,938	1,050,000
Business promotion expenses	3,189,304	1,699,165
Communications expenses	368,773	350,326
Contract service expenses	5,947,904	4,063,773
Conveyance and motor car expenses	2,167,821	1,759,606
Diminution in value of investment	17,100	1,900
Directors sitting fees	1,260,000	640,000
General expenses	3,354,282	4,840,973
Insurance charges	259,075	334,950
Interest on VAT, service tax and stamp duty	52,701	193,226
Internet subscription and website expenses	323,416	289,221
Electricity charges	1,267,456	3,387,644
Legal, professional and consultancy fees	4,077,755	8,323,106
Loss on sale of fixed assets	13,635,302	2,846,412
Printing and stationery	385,007	376,120
Provision for taxes	0	17,500,000
Rent, rates, taxes and business service centre charges	9,284,297	17,944,380
Research and development expenses	672,732	574,714
Traveling expenses	1,949,179	3,527,164
Ogle digital expenses	1,218,470	0
	52,448,023	70,220,269

NOTE 24.1

Payment to Auditors

	March 31, 2015 ₹	March 31, 2014 ₹
a. Statutory audit fees	314,608	264,046
b. Certification, VAT audit and other fees	236,012	241,574
	550,620	505,620

NOTE 24.2

Expenditure in foreign currency

	March 31, 2015 ₹	March 31, 2014 ₹
Traveling expenses [USD Nil (L Y USD 6,000)]	0	377,400
Traveling expenses [AED Nil (L Y AED 18,000)]	0	316,650
	0	694,050

NOTE 24.3

Operating lease

In respect of premises

	March 31, 2015 ₹	March 31, 2014 ₹
Not later than one year	6,303,800	8,554,550
Later than one year and not later than five years	14,185,865	18,718,665
Later than five years	0	0
	20,489,665	27,273,215

NOTE 25

Earning per share (EPS)

	March 31, 2015 ₹	March 31, 2014 ₹
Net profit/ (loss) after tax a per Statement of Profit and Loss attributable to equity share holders	(49,145,026)	38,683,685
Weighted average number of equity shares used as denominator for calculating EPS	14,467,000	14,467,000
Basic and diluted earning per share	(3.40)	2.67
Face value per equity share	10	10

NOTE 26

	March 31, 2015 ₹	March 31, 2014 ₹
Estimated amount of contracts to be executed on capital account. (Net of capital advances)	0	0

NOTE 27

	March 31, 2015 ₹	March 31, 2014 ₹
Bank guarantee issued by the bankers	0	0

NOTE 28

CONTINGENT LIABILITIES

	March 31, 2015 ₹	March 31, 2014 ₹
a. Claims against the Company not acknowledged as debts.	150,324,720	150,100,000
b. VAT Liability	1,876,028	1,876,028

Future cash outflow in respect of (a) and (b) above are determinable only on receipt of judgment/ decision pending with authorities.

Legal proceedings relating to dispute in respect of compliance and performance of the conditions of the license for the use of the premises from where Moksh Zip is operating have begun between the Subsidiary Company, PNC Wellness Ltd and the Licensor of the premises. Pending the outcome of the aforesaid legal proceedings the impact of the outcome on the financial statements cannot be ascertained.

NOTE 29

	March 31, 2015 ₹	March 31, 2014 ₹
Dividend remitted in foreign currency	0	0

NOTE 30

	March 31, 2015 ₹	March 31, 2014 ₹
a. CIF value of imports	0	0
b. FOB value of imports	0	0

NOTE 31

The Company is engaged in the production/ making of cinematic and television content, which requires various types, qualities and quantities of raw materials and inputs in different denominations. Due to the multiplicity and complexity of the items it is not practicable to maintain the quantitative record/ continuous stock register, as the process of making content is not amenable to the same. Hence quantitative details are not maintained. Physical stock of finished content is taken at the end of year.

NOTE 32

Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantees of ₹ 75,050,000 were ongoing before former Chief Justice YV Chandrachud. The parties completed the pleadings before the Arbitrator but unfortunately he passed away in July 2008 while the cross examinations were on. The Company had filed a petition before the High Court at Bombay for appointment of a sole Arbitrator in place and stead of Justice Chandrachud in January 2009. The Bombay High Court appointed Justice BN Srikrishna, former Judge of Supreme Court of India as Sole Arbitrator vide order dated November 27, 2009 and the arbitration proceedings are ongoing. Opinion obtained by the Company from Justice AM Ahmadi, former Chief Justice of the Supreme Court of India, supports the Company's stand that the amount is fully recoverable. In view of this, the management of the Company does not consider it necessary to make a provision there against in the accounts. The Company is showing amount withheld by Prasar Bharti as "Long Term Loans and Advances".

NOTE 33

Accounting Standard (AS) 26 on "Intangible Assets" states that in the absence of persuasive evidence there is a 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 numbers of distribution channels, rapid multiplication of remaking, animation and other new versions etc., is of the view that the useful life of the cinematic content is over 20 years. Hence, amortisation of ₹ 129,650,464 is not required to be made. The Company is in line with International Accounting Practices and this is a step towards complying with IFRS norms.

The details of cinematic and television content is as under:

	Cinematic content ₹	Television content ₹	Total ₹
Gross carrying amount as at April 1, 2014	1,691,439,479	811,389,423	2,502,828,902
Add: Additions during the year	133,313,132	0	133,313,132
Total	1,824,752,611	811,389,423	2,636,142,034
Less: Amortised upto March 31, 2014	1,318,284,979	783,810,036	2,102,095,015
Less: Amortised during the year	0	0	0
Net carrying amount as at March 31, 2015	506,467,632	27,579,387	534,047,019

The total cost of content as at March 31, 2015 is ₹ 534,047,019. 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.

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 ₹ 50,000,000.

NOTE 34

As per Accounting Standard (AS) 28 on "Impairment of Assets", the Company has assessed whether there are any indications that any assets has impaired. Since the carrying amount is less than the recoverable amount, there is no necessity for making any provision for impairment.

NOTE 35

SEGMENT INFORMATION

The consolidated financial statements are divided into two business segment viz content and wellness. This business segments have been identified in line with Accounting Standard (AS) 17 "Segment Reporting". Segment revenue results include amounts identifiable to each segment for consolidated purpose. Other un-allocable expenditure includes revenues and expenditures, which are not directly identifiable to the individual segment as well as expenses, which relate to the Company as whole.

Particulars	Content ₹	Wellness ₹	Total ₹
Revenue			
External	4,210,600	3,077,541	7,288,141
Inter segment	0	0	0
Total revenue	4,210,600	3,077,541	7,288,141
Expenditure			
Cost of content	133,203,132	0	133,203,132
Changes in inventories of finished goods,	(133,203,132)	0	(133,203,132)
Employee benefit expense	14,305,140	0	14,305,140
Finance cost	3,664,534	0	3,664,534
Depreciation	3,883,293	2,870,252	6,753,545
Other expenses	33,089,276	19,358,747	52,448,023
Total expenditure	54,942,243	22,228,999	77,171,242
Result	(50,731,643)	(19,151,458)	(69,883,101)
Add: Other income	17,806,926	1,100,504	18,907,430
Segment results	(32,924,717)	(18,050,954)	(50,975,671)
Profit/ (loss) before tax	(32,924,717)	(18,050,954)	(50,975,671)
Current tax	0	0	0
Profit before deferred tax	(54,767,719)	3,792,048	(50,975,671)
Deferred tax	(538,095)	(1,289,709)	(1,827,804)
Profit after tax	(54,229,624)	5,081,757	(49,147,867)
Other information:			
Segment assets	1,021,006,279	3,887,771	1,024,894,045
Segment liabilities	252,361,720	(5,640,772)	246,720,948
Depreciation	3,883,293	2,870,252	6,753,545

NOTE 36

RELATED PARTY DISCLOSURE

In accordance with Accounting Standard (AS) 18 "Related Party Disclosure", the disclosure in respect of transactions with the companies related parties are as given below

i. Key managerial personnel
   a. Pallab Bhattacharya – Wholetime Director and CEO
   b. Rangita Pritish Nandy – Wholetime and Creative Director
   c. Rupali Vaidya – Erstwhile Company Secretary

ii. Non-Executive Directors and their relatives
   a. Pritish Nandy – Non-Executive Chairman
   b. Rina Pritish Nandy – Non-Executive Director
   c. Udayan Bose – Non-Executive, Independent Director
   d. Nabankur Gupta – Non-Executive, Independent Director
   e. Vishnu Kanhere – Non-Executive, Independent Director
   f. Hema Malini – Non-Executive, Independent Director
   g. Ishita Pritish Nandy – daughter of Non-Executive Director

Details relating to parties/ persons referred to in above items are as under:

In ₹ lakh

	Nature of transaction	March 31, 2015	March 31, 2014
Key management personnel	Remuneration/ Reimbursement	62.05	39.73
	Balance outstanding as at year end Payable	4.80	4.34
Non-Executive directors and their relatives	Remuneration/ Reimbursement/ sitting fees	40.02	18.40
	Professional fees	96.00	60.00
	Balance outstanding as at year end Payable	14.09	10.37

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.

The Company has incurred loss during the year. In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed by Schedule V read with Section 197 of the Companies Act 2013 is restricted to ₹ 4,200,000 for the year. The company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed by ₹ 1,554,000. The excess remuneration paid is subject to approval of the shareholders of the Company by a special resolution in the forthcoming annual general meeting. Alternatively the same shall be recoverable from the managerial personnel.

NOTE 37

In view of loss, no provision has been made for income tax liability during the year.

NOTE 38

Loans and Advances of ₹ 46,753,181 includes: i) ₹15,000,000 advanced against the Music, Asian and Indian Satellite rights of a film, where the Company has lien over the exploitation of the said rights and ii) ₹31,753,181 being balance amount advanced towards joint production of a film where the Company has joint re-exploitation rights. The Company has initiated recovery proceedings in respect of the aforesaid advances. i) The Company has filed a Summary Suit with the Hon. High Court at Bombay which is pending hearing and disposal and ii) The Company has initiated arbitration proceedings which are ongoing before Justice Smt KK Baam (Retired). The management considers the same are good and fully recoverable. Legal opinion obtained by the Company from SF Rego, Judge (Retired), City Civil and Sessions Court, Mumbai, supports this and consequently no provision has been made in the accounts at this stage. The Company is showing these amounts as "Long Term Loans and Advances".

NOTE 39

PNC Digital Ltd (PNCD) had entered an agreement on June 30, 2014 with Harshawardhan Sabale, CEO, Television and Digital division of Pritish Nandy Communications Ltd (PNC) for acquiring Ogle, a video streaming technology, towards which PNCD had made a part payment of ₹ 2,700,000 Contingent upon the receipt of an investment term sheet from a third party investor for providing investment in PNCD, PNCD was to issue and allot, towards balance consideration, 490,000 fully paid equity shares to Mr Sabale. The commercial launch and exploitation of Ogle has not yet commenced. In April 2015 PNCD identified and entered into an arrangement with an investor who is ready to invest in the exploitation of Ogle worldwide. To enable this exploitation a joint venture Company, Ogle Technologies Ltd, was incorporated at British Virgin Islands. The equity structure of Ogle Technologies Limited is identical to the equity structure contemplated in the agreement dated June 30, 2014 relating to the acquisition of Ogle. PNCD owns 51% and Mr Sabale owns 49% of the issued and paid up capital of Ogle Technologies Limited. The commercial exploitation of Ogle will be taken up and conducted by Ogle Technologies Limited.

NOTE 40

In the opinion of the management investments, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of business. The provisions for all known liabilities and depreciation are adequate and are not in excess of the amounts considered, reasonably necessary.

NOTE 41

There are no dues payable to the Investor Education and Protection Fund as at March 31, 2015.

NOTE 42

All known liabilities have been provided in the books of accounts.

NOTE 43

The previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

As per our attached report of even date
For KR Khare & Co
Chartered Accountants
Firm Registration Number 105104W

Kishor R Khare
Proprietor
Membership Number 032993
Mumbai, May 25, 2015

Authenticated by us
For Pritish Nandy Communications Ltd

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Yatender Verma
VP, Finance, Compliances and Legal Affairs

Vikas Shaw
Company Secretary

Mumbai, May 25, 2015

Notice is hereby given that the 22nd Annual General Meeting of the members of PRITISH NANDY COMMUNICATIONS LTD (CIN L22120MH1993PLC074214) will be held on September 21, 2015 at 3.00 pm at Walchand Hirachand Hall, 4th 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, 2015, 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, 2015, together with the Report of the Auditors thereon.

2 To appoint a Director in place of Pritish Nandy who retires by rotation and being eligible, offers himself for re-appointment.

3 To appoint a Director in place of Rina Pritish Nandy who retires by rotation and being eligible, offers herself for re-appointment.

4 To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the forthcoming fourth Annual General Meeting and fix their remuneration. In this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time, the company appoints KR Khare & Co, Chartered Accountants (FRN 105104W), as statutory auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the forthcoming fourth Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Audit Committee of the Company".

SPECIAL BUSINESS

5 To approval excess remuneration paid to wholetime directors. In this connection, to consider and if thought fit, to pass with or without modifications(s), the following resolution as an Special Resolution

"RESOLVED THAT ₹ 1,554,000 being remuneration paid to managerial personnel in excess of the limits prescribed under Schedule V read with Section 197 of the Companies Act, 2013 be and is hereby approved".

By Order of the Board

Vikas Shaw
Company Secretary
Mumbai, July 24, 2015

Registered Office: 87/88 Mittal Chambers, Nariman Point, Mumbai 400021

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 authorized 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 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 11, 2015 to September 21, 2015 (both days inclusive) for the purpose of annual book closure.

5. Members desirous of seeking any information at the AGM are requested to send in their request(s) so as to reach the registered office of the Company at least 10 days before the AGM 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 am and 1 pm upto the date of the AGM.

7. As a measure of economy copies of Annual Reports will not be distributed at the venue of the AGM. Members are requested to bring their copy of the Annual Report to the AGM.

8. The Notice of the AGM along with the Annual Report 2014-15 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 dividend for the financial years 2007- 08 declared at the AGM held on September 17, 2008 can be claimed on or before September 16, 2015. Members who have not yet encashed their dividend warrants may send the same to the Company's Registrar & Share Transfer Agent for revalidation and encash it before the said date. Members are requested to note that no claims shall lie against the Company or the Investor Educations and Protection Fund in respect of any amounts which were unpaid or unclaimed for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claim.

11. 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.

12. At the ensuing AGM Pritish Nandy and Rina Pritish Nandy are retiring by rotation as per the requirements of Section 152 of the Companies Act, 2013 and being eligible, offer themselves for re-appointment.

    The information required to be provided under the Listing Agreement entered into with the Stock Exchanges regarding the Directors who are proposed to be appointed/re-appointed are given herein below

    Pritish Nandy, Chairman of the Board and Non-Executive Director, founded Pritish Nandy Communications. He is a distinguished writer and media professional and has authored over fifty books. Prior to forming PNC, Mr Nandy was Publishing Director and Editor in The Times of India Group from 1982 till 1991. He was also Editor and Publisher of The Illustrated Weekly of India from 1983 till 1991 and has won some of the highest awards for excellence in journalism. He got the Padma Shri in 1977 in recognition of his literary achievements. In between his stint in The Times of India and the formation of PNC, he produced and hosted India's first signature show on television, The Pritish Nandy Show. His contribution to the evolution of new media in India is also well recorded and he set up India's first cyber café at The Leela Kempinski in Mumbai, even before the internet arrived. He was a Member of the Parliament for six years, from 1998 till 2004. His work for restoration of Mumbai's heritage won him an USESCO award. He got the 1st Ramnath Goenka Award for Excellence in Cinema. His experience and many awards span print journalism, television and, now motion pictures. In 2012, he received the prestigious International Humanitarian Awards at the Annual Genesis Awards in Los Angles.

    Rina Pritish Nandy is a Non-Executive Director on the Board of the Company. She is an author of five books and a translator specializing in translation of Bengali fiction into English. Her books have been published by Seagull Books, Harper Collins and Rupa & Company and the last book, a collection of folk tales first published in the early twentieth century with a foreword by Rabindranath Tagore, has been so popular among children that it has gone in for yet another reprint. Mrs Nandy is also an experienced script doctor and has worked on the screenplays of several television shows for the Company in an advisory capacity. She is also an authority on children's literature.

13. 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.

14. Voting through electronic means-

    In compliance with provisions of Section 108 of the 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 22nd AGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

    The instructions for members for voting electronically are as under:-

    In case of members receiving e-mail:

    i. Log on to the e-voting website: www.evotingindia.com

    ii. Click on "Shareholders" tab.

    iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

    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 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:

       a. Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

       b. Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

       c. Enter the dividend bank details as recorded in your demat account or in the Company records for the said demat account or folio.

       Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the dividend bank details field.

    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.

    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.

a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as corporate.

b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xviii. The voting period begins on September 18, 2015 at 9.00 am and ends on September 20, 2015 at 6.00 pm. The e-voting module shall be disabled by CDSL for voting thereafter.

xix. V. N Deodhar, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

xx. 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 August 21, 2015.

xxi. 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Pallab Bhattacharya, was reappointed as Wholetime Director and CEO of the Company for a further period of five 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:

a. Salary: Not exceeding ₹ 241,500 per month, subject to annual increment effective 1st April, every year.

b. Perquisite: Mr Bhattacharya is entitled to a Company car with a driver.

c. Gratuity is payable as per rules of the Company at the end of service.

d. Reimbursement of traveling, hotel and other reasonable expenses actually incurred by Mr Bhattacharya for Company work.

Rangita Pritish Nandy, daughter of Pritish Nandy, Chairman and Rina Pritish Nandy, Director of the Company, was reappointed as Creative Director of the Company for a further period of five 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:

a. Salary: Not exceeding ₹ 238,000 per month, subject to annual increment effective 1st April, every year.

b. Perquisite: Ms Nandy is entitled to a Company car with a driver.

c. Gratuity is payable as per rules of the Company at the end of service.

d. Reimbursement of travelling, hotel and other reasonable expenses actually incurred by Ms Nandy for Company work.

The shareholders approved the above appointments and payment of remuneration to above directors in the AGM held on September 19, 2014.

The details of the remuneration paid to the above said executive directors’ is given herein below:

Mr Bhattacharya: salary of ₹ 241,500 per month aggregating to ₹ 2,898,000 for the year ended March 31, 2015.

Ms Nandy: salary of ₹ 238,000 per month aggregating to ₹ 2,856,000 for the year ended March 31, 2015.

The total managerial remuneration paid was ₹ 5,754,000.

The Company has incurred loss during the year. In view of the loss and based on effective capital of the Company, managerial remuneration as prescribed under Schedule V read with Section 197 of the Companies Act, 2013 is restricted to ₹ 4,200,000 for the year. The Company has paid managerial remuneration of ₹ 5,754,000 which is in excess of the limits prescribed by ₹ 1,554,000. The excess remuneration paid being ₹ 782,672 to Pallab Bhattacharya and ₹ 771,328 to Rangita Pritish Nandy is subject to approval of the members.

The Company was not able to release its movie Mastizaade in the financial year under review and application for censorship certification is pending with Central Board of Film Certification. Consequently the Company was unable to make adequate profit resulting in excess payment on Directors’ remuneration account.

The Board considers that it would be in the interest of the Company if members approve the payment of remuneration made to the executive directors which is in excess of the limits prescribed under Schedule V read with Section 197 of the Companies Act, 2013. The Board recommends the resolution at item No. 5 of the accompanying Notice for acceptance by the members by passing the same by Special Resolution.

By Order of the Board

Vikas Shaw
Company Secretary
Mumbai, July 24, 2015

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 22nd Annual General Meeting of the Company held on Monday, September 21, 2015 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]CIN:

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

1. Name: ____

   Address: ____

   E-mail Id: ________________________________ Signature: ________________________________, or failing him

2. Name: ____

   Address: ____

   E-mail Id: ________________________________ Signature: ________________________________, or failing him

3. 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 22nd Annual General Meeting of the Company held on Monday, September 21, 2015 at 3.00 pm at Walchand Hirachand Hall, 4th floor, Indian Merchant Chambers Building, IMC Marg, Churchgate, Mumbai 400020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

ORDINARY BUSINESS

1. To receive, consider and adop:
   a. the audited financial statements of the Company for the financial year ended March 31,2015, together with the reports of the Board of Directors and the Auditors thereon; and
   b. the audited consolidated financial statements of the Comapny for the financial year ended March 31,2015, together with the report of the Auditors thereon;
2. To appointment a Director in place of Pritish Nandy who retires by rotations and being eligible, offers himself for re-appointment.
3. To appointment a Director in place of Rina Pritish Nandy who retires by rotations and being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meetting till the conclusion of the next Annual Gerneral Meetting and fix their remuneration.

SPECIAL BUSINESS

5. To approve excess remuneration paid to wholetime directors

Signed this__________________ day of ___________________ 2015.

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.

The number of internet users in India is on its way to breach 300 million, dethroning USA as the second largest internet-enabled market, the largest being China. Filmmakers too may start looking beyond traditional revenue streams for monetisation of online and mobile viewing through a combination of pay-per-view, video on demand and live streaming.

FICCI-KPMG
Indian Media and Entertainment
Industry Report 2015

THE 22ND ANNUAL REPORT AND ACCOUNTS 2015

PRITISH NANDY COMMUNICATIONS™

THE POWER OF ENTERTAINMENT.