

ANNUAL REPORT 2016 / 17



PICTUREHOUSE MEDIA LIMITED

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Chairman's message

Dear Shareholders,

The Indian Media and Entertainment (M&E) industry is a booming sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. India is one of the highest spending and fastest growing advertising market globally.

The industry has been largely driven by increasing digitalization and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 14.3 per cent to touch Rs. 2.26 trillion (US\$ 33.9 billion) by 2020, while revenues from advertising is expected to grow at 15.9 per cent to Rs. 99,400 crores (US\$ 14.91 billion).

In 2015, the M&E sector grew at 12.8%, while overall advertising grew at 14.7% over 2014. Growth for television advertising is projected at a CAGR of 15% between 2015 and 2020, while print media is expected to grow at 8.6%, according to a report by consulting firm KPMG and lobby group FICCI (Federation of Indian Chambers of Commerce and Industry).

Our Company continued to strengthen its ardor towards movies by financing movies and producing movies under its own banner. There was lot of learning during the year with successes and failures in equal measure. There were 3 releases during the year viz., Brahmotsavam (in Telugu), The Ghazi Attack (in Telugu, Tamil and Hindi) and Kashmora (in Telugu).

The 'PVP Cinema' brand is one of the most coveted and well known with the public, reaching all age groups in Southern India. Our Company is committed to produce movies which gets accolades both in India and International. The goal is to be the top most producer of feature films in Telugu, Tamil, and Bollywood and the management team is committed to the same.

Best Regards,

Prasad V. Potluri
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prasad V. Potluri - Managing Director
Mr. R. Nagarajan - Independent Director
Mr. N. S. Kumar - Independent Director

BOARD COMMITTEES

Audit Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

Stakeholders Relationship Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

Nomination and Remuneration Committee

Mr. N. S. Kumar - Chairman
Mr. R. Nagarajan

CSR Committee

Mr. R. Nagarajan - Chairman
Mr. N. S. Kumar
Mr. Prasad V. Potluri

KEY MANAGERIAL PERSONNEL

Mr. Prasad V. Potluri - Managing Director
Mr. A. Praveen Kumar - CFO
Mrs. Mona Rajora - Company Secretary

STATUTORY AUDITORS

M/s Brahmayya & Co.
Chartered Accountants
No. 48, Masilamani Road, Balaji Nagar,
Royapettah, Chennai - 600014.

PRINCIPAL BANKERS

Canara Bank
Central Bank of India

REGISTERED OFFICE

KRM Centre, 9th Floor, Door No. 2
Harrington Road,
Chetpet, Chennai - 600031

T +91 44 3028 5570
F +91 44 3028 5571
E ir.telephoto@pvpglobal.com

CORPORATE OFFICE

4th Floor, Punnaiah Plaza
Plot No. 83 and 84, Road No. 02
Banjara Hills, Hyderabad - 500034

T +91 40 6730 9999
F +91 40 6730 9988

STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited,
Subramanyam Building, 1, Club House Road, Chennai 600 002
T +91 44 2846 0390 F +91 44 2846 0129
E investor@cameoindia.com

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Picturehouse Media Limited will be held on Thursday, September 28, 2017 at 11.30 a.m. at Hotel Green Park, Vauhini Hall No.183, NSK Salai, Arcot Road, Vadapalani, Chennai, Tamil Nadu – 600 026 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To ratify appointment of M/s. Brahmayya & Co. as Statutory Auditors and fix their remuneration 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 17th Annual General Meeting appointing Brahmayya & Co., Chartered Accountants, (FRN: 0005115) as Statutory Auditors of the Company to hold office until the conclusion of 22nd Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Brahmayya & Co., as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

SPECIAL BUSINESS

3. To re-appoint Mr. Prasad V. Potluri as Managing Director of the Company

To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Sections 178, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force), and the consent of the members, be and is hereby, accorded for the reappointment of Mr. Prasad V. Potluri as Managing Director of the Company for a period of five years from May 31, 2017 to May 30, 2022 without any remuneration.

RESOLVED FURTHER THAT the Directors, CFO and Company Secretary of the Company be and are hereby authorized to file requisite form with the Registrar of Companies, Tamil Nadu and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By order of the Board of Directors
for **PICTUREHOUSE MEDIA LIMITED**

Sd/-

Mona Rajora

Company Secretary

Date : August 8, 2017
Place : Chennai

NOTES

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING [‘THE MEETING’] IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL ON HIS/HER/ITS BEHALF AND THE PROXY, HOWEVER, NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before commencement of the meeting. A Proxy form for the AGM is enclosed with this Annual Report.**
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
5. In case of joint holders, the first joint holder will be entitled to vote in the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2017 to September 28, 2017 (both days inclusive) for the purpose of Annual General Meeting.
7. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2017 are being sent in electronic form to those Members who have registered their e-mail addresses with their DPs. However, in case, a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to ir.telephoto@pvpglobal.com for receipt of hard copy. This would enable the Company to update its database by incorporating/ updating the designated e-mail addresses in its records. The Members may also note that the said Reports are also being uploaded on the website of the Company at www.pvpcinema.com
8. Members are requested to quote their Registered Folio Number, Client ID, Number of shares in all correspondences with the Company/RTA and notify the Company’s RTA,

or the Depository Participants, the change of registered address, if any.

9. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
10. The Company has designated an exclusive email ID viz. ir.telephoto@pvpglobal.com, which would enable the investors/shareholders to post their grievances, if any, by quoting their Registered Folio Number, Client ID, and Number of shares. However, it may be noted that the Company would not respond to any kind of malicious allegations made by the shareholders with ulterior motives.
11. Queries concerning Annual Accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
12. The Annual Report of the Company for the year 2016-17 circulated to the Members of the Company is available on the Company's website, viz. www.pvpcinema.com
13. The Company, pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, is extending e-voting facility for its Members to enable them to cast their vote electronically. Further, the facility for voting, through ballot paper, will also be made available at the AGM. However, the Members attending the AGM who cannot cast their votes by remote e-voting, can also exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. In this regard, the Company has appointed M/s. D. Hanumanta Raju and Co, Practicing Company Secretaries, Hyderabad, who in the opinion of the Board is a duly qualified person, as a Scrutinizer to oversee the electronic voting process in a fair and transparent manner.
14. The e-voting facility will be available at the link <http://evoting.karvy.com> during the voting period.
15. The login ID and password for e-voting along with process, manner and instructions is being sent to the members along with email/physical copy of the Notice.
16. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of cut-off date i.e., September 21, 2017 may obtain the login ID and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for e-voting, then you can use your existing User ID and password for casting your vote.
17. Members are requested to note that the e-voting will open on September 25, 2017 at 9.00 a.m. and shall remain open for 3 days i.e. up to September 27, 2017 and it shall not be allowed beyond 5 p.m. on September 27, 2017.

18. The procedure and instructions for e-voting are as follows:

- I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).
- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - b) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - c) After entering these details appropriately, click on "LOGIN".
 - d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - e) You need to login again with the new credentials.
 - f) On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.



- i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email dh300@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- a) E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - b) Please follow all steps from Sl. No. (a) to (l) above to cast your vote by electronic means.

II. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact ir.telephoto@pvpgoal.com, Picturehouse Media Limited or Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) The remote e-voting period commences on September 25, 2017 (9.00 A.M. IST) and ends on September 27,

2017 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2017.
- e) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 21, 2017, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678

Example for CDSL:
MYEPWD <SPACE> 1402345612345678

Example for Physical:
MYEPWD <SPACE> XXXX1234567890

- ii) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii) Member may call Karvy's toll free number 1800-3454-001.
- iv) Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors, at its Meeting held on May 30, 2017 reappointed Mr. Prasad V. Potluri as Managing Director with effect from May 31, 2017 for a period of five years i.e. upto May 30, 2022 on the terms and conditions as set out in the resolution, subject to the approval of shareholders of the Company.

Mr. Prasad V. Potluri is a serial entrepreneur in the global outsourcing services space; he has successfully built and sold 3 companies while serving the needs of the Fortune 1000 marketplace. Within the global investment community, he is a respected thought leader. During an entrepreneurship-packed decade, he has been the driving force behind many companies, including ProconInc, Albion Orion Company LLC, Irevna Ltd. Procon Inc. was acquired by RCM Technologies in 1998. AOC, LLC was acquired by SSI in 2000 for INR 292 Crores, the then largest cross-border deal. Irevna Limited

was acquired by CRISIL (S&P India) in 2005. He is a Strategic Investor in Maven Corp and Karvy Consultants & a Founding Investor of CBay Systems.

Mr. Prasad V. Potluri is not related to any Director of the Company.

He is also the Managing Director of PVP Ventures Limited. He is the member of Audit committee, CSR Committee and Stakeholders relationship committee of Picturehouse Media Limited and member of Audit Committee, CSR Committee and Stakeholders relationship committee of PVP Ventures Limited.

No director except Mr. Prasad V. Potluri, Key Managerial Personnel or their relatives, are interested in the resolution.

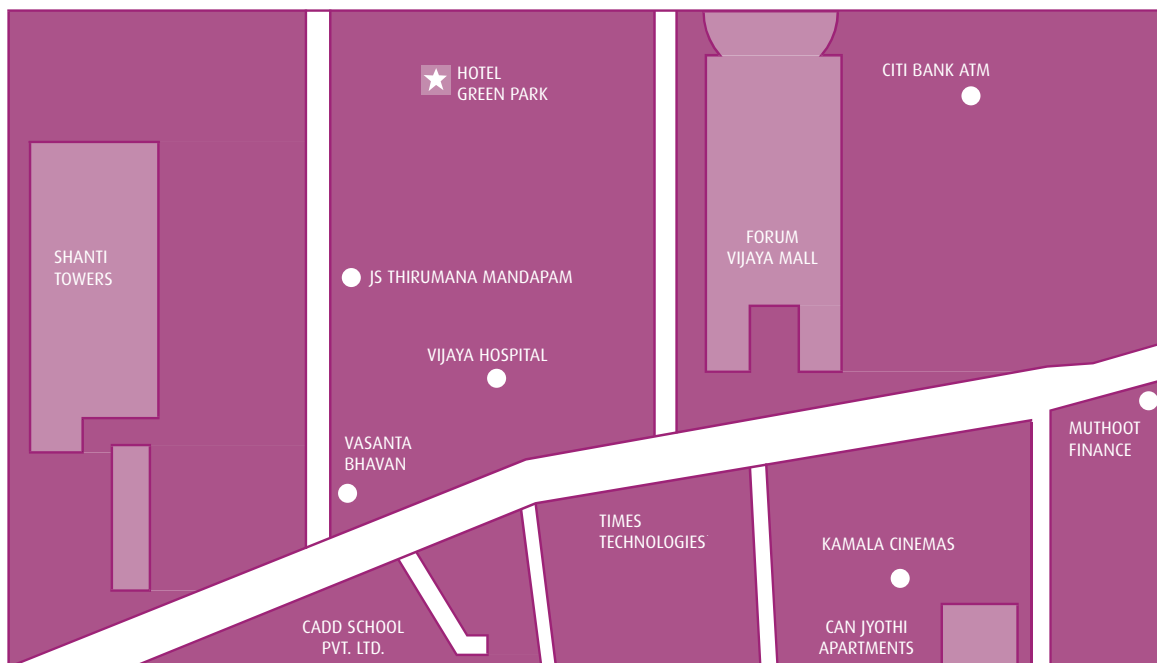
By order of the Board of Directors
for **PICTUREHOUSE MEDIA LIMITED**

Date : August 8, 2017
Place : Chennai

Sd/-
Mona Rajora
Company Secretary

ROUTE MAP TO THE VENUE OF THE AGM

Hotel Green Park
‘Vauhini Hall’
No. 183, NSK Salai, Arcot Road,
Vadapalani, Chennai - 600026



DIRECTORS REPORT

To the Members,

We are pleased to present the report on the business and operations of your Company for the year ended March 31, 2017.

FINANCIAL RESULTS

[Rs. in Lakh]

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	2015-2016	2016-17	2015-2016
Total Income	9690.75	9529.77	11816.01	12964.38
Operational, Administration and Other Expenses	10147.93	10120.72	10236.80	10284.50
Profit/(Loss) Before Depreciation Interest and Tax	(457.18)	(590.95)	1579.21	2679.88
Depreciation	50.76	61.05	50.85	61.26
Interest and Finance Charges	786.87	1005.47	2762.96	3142.47
Profit/(Loss) Before Exceptional Items	(1294.81)	(1657.47)	(1234.60)	(523.85)
Exceptional Items	(84.06)	-	(102.76)	-
Profit/(Loss) Before Tax	(1210.75)	(1657.47)	(1131.84)	(523.84)
Tax Expense	(11.74)	-	37.57	422.37
Profit/(Loss) after Tax	(1199.01)	(1657.47)	(1169.41)	(946.22)

STATE OF THE COMPANY'S AFFAIRS

During the financial year 2016-17, the Company witnessed losses both on Standalone and Consolidated basis. The total revenue of the Company for the financial year ended 31 March, 2017 on Standalone basis is Rs. 96.68 crores as compared to the previous year's total revenue of Rs. 95.08 crores. Further, total revenue on consolidated basis is Rs. 117.93 crores as compared to the previous year's total revenue of Rs. 129.43 crores.

The Standalone Loss after tax stood at 11.99 crores as against loss of Rs. 16.57 crores in 2016. Further, the Consolidated Loss after tax stood at Rs. 11.69 crores as against loss of Rs. 9.46 crores in 2016.

TRANSFER TO RESERVES

In view of the losses incurred by the Company during the year, the Board of Directors did not propose to transfer any amount to reserves for the period under review.

DIVIDEND

In view of the losses and in order to conserve the resources of the Company, for future Business operations, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2017.

CAPITAL STRUCTURE

During the year, there is no change in the capital structure of the Company.

PUBLIC DEPOSITS

The Company has not accepted/renewed any fixed deposits during the year under review.

INSURANCE

All the properties of your Company have been adequately insured.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and erstwhile Listing Agreement and the Equity Listing Agreement signed with the BSE Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.pvpcinema.com/pdf/2015/RPTPolicy-PHML.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

During the year under review, there were no Related Party Transactions or Material Related Party Transactions i.e., transactions, exceeding 10% of the annual consolidated turnover as per the latest audited financial statements. Accordingly, the disclosure of Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable for the year ended March 31, 2017.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No. 26.7 of the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT

As on the date of this report, there are no material changes in the Company which may affect the financial position of the Company between the end of Financial Year and Date of Report.

SUBSIDIARY COMPANIES

The Company along with its subsidiaries is operating in the verticals of Film Production and Film Financing. As on March 31, 2017, the Company has 3 (Three) wholly-owned subsidiaries viz., PVP Capital Limited, PVP Cinema Private Limited and Picturehouse Media Private Limited (Foreign Subsidiary).

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as **Annexure - 1** to the Board's Report. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity.

As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website www.pvpcinema.com. These documents will also be available for inspection during the business hours at the Registered office of the Company and any member who wish to get copies of such financial statements, may write to the Company for such requirement.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed to maintain the prescribed standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 forms part of the Annual Report.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

No Director(s) of the Company are being eligible to offer themselves for re-appointment.

Mrs. P. Sai Padma, Director of the Company have resigned from the Company w.e.f. March 6, 2017.

The details of training and familiarization programs and Annual Board Evaluation process for directors have been provided under the Corporate Governance Report.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the criteria which may affect his status as an independent Director, gives a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The policy on Directors' appointment and remuneration including criteria for determining qualifications positive attributes, independence of director and also remuneration for Key Managerial Personnel and other employees and Board evaluation process also forms part of Corporate Governance Report at **Annexure 2**.

Composition of Board Committees

Audit Committee	
Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

Nomination and Remuneration Committee

Mr. N. S. Kumar	Chairman
Mr. R. Nagarajan	Member
*Mrs. P. Sai Padma	Member

Stakeholders Relationship Committee

Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

Corporate Social Responsibility Committee

Mr. R. Nagarajan	Chairman
Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

Executive Committee

Mr. Prasad V. Potluri	Chairman
*Mrs. P.Sai Padma	Member

Further details with respect to the aforesaid Committees are provided in the Corporate Governance Report attached herewith.

* Mrs. P. Sai Padma, Director of the Company have resigned from the Company w.e.f. March 6, 2017.

NUMBER OF MEETINGS OF THE BOARD

The Board met 5 (five) times during the financial year, and the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements of the Company are prepared as per applicable Accounting Standards as prescribed under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 and other applicable provisions if any of the said act. There are no material departures from prescribed accounting standards. The Directors confirm that:

- In preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed;
- The directors have selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors have laid down internal financial controls, which are adequate and are operating effectively; and
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate to operate the company effectively.