Picturehouse Media Limited

Registered Office: Door No. 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai-600031 Web: www.pvpcinema.com

Audited Financial Results for the Quarter and Year ended 31st March, 2020

CIN:L92191TN2000PLC044077

Statement of Standalone Financial Results for the Quarter and Year ended 31st March, 2020						Rs. in lakhs
	PARTICULARS	**Standalone**				
		Quarter ended			**Year ended**	
		31.03.2020 Unaudited	**31.12.2019 Unaudited**	**31.03.2019 Unaudited**	**31.03.2020 Audited**	**31.03.2019 Audited**
1	**Income**					
	Revenue from operations	63.24	19.05	168.90	1,447.63	627.64
	Other Income	10.47	43.10	4.93	53.75	9.74
	Total Income (1)	**73.71**	**62.15**	**173.83**	**1,501.38**	**637.38**
2	**Expenses**					
	(a) Cost of film production expenses	2.64	27.11	-	987.04	2.41
	(b) Purchases of Stock-in-Trade	-	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	-
	(d) Employee benefit expenses	14.39	12.38	15.45	55.31	57.78
	(e) Finance Cost	267.96	223.14	272.39	993.48	867.53
	(f) Depreciation and amortization expenses	8.49	9.02	5.42	35.89	22.73
	(g) Others expenses	18.05	15.73	68.09	62.66	146.01
	(h) Provision for doubtful debts and advances	-	19.06	21.40	19.19	608.40
	Total Expenses (2)	**311.53**	**306.44**	**382.75**	**2,153.57**	**1,704.86**
3	**Profit/(Loss) before exceptional items and tax (1-2)**	**(237.82)**	**(244.29)**	**(208.92)**	**(652.19)**	**(1,067.48)**
4	Exceptional items	-	-	-	-	
5	**Profit before tax (3-4)**	**(237.82)**	**(244.29)**	**(208.92)**	**(652.19)**	**(1,067.48)**
6	**Tax expense**					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-
	c) Income tax for earlier years	0.40	-	-	0.40	-
7	**Net Profit for the period/year (5-6)**	**(238.22)**	**(244.29)**	**(208.92)**	**(652.59)**	**(1,067.48)**
8	Other Comprehensive Income					
	a) (i) Items that will not be reclassified subsequently to profit and loss					
	Remeasurement of defined benefit obligation	5.64	-	6.22	5.64	6.22
	Less : Income tax expense					
	Total Other Comprehensive Income (8)	**5.64**	**-**	**6.22**	**5.64**	**6.22**
9	**Total Comprehensive Income (7+8)**	**(232.58)**	**(244.29)**	**(202.70)**	**(646.95)**	**(1,061.26)**
10	Paid-up equity share capital (Face Value of Re. 10/- each)	5,225.00	5,225.00	5,225.00	5,225.00	5,225.00
11	Other Equity				(4,032.23)	(3,371.11)
12	Earnings per share					
	(a) Basic (in Rs.)	(0.45)	(0.47)	(0.39)	(1.25)	(2.04)
	(b) Diluted (in Rs.)	(0.45)	(0.47)	(0.39)	(1.25)	(2.04)

Notes on the Standalone Financial Results of Picturehouse Media Limited

1. The current assets of the company includes loans and advances amounting to Rs.3,632.82 lakhs and 'expenditure on films under production' amounting to Rs. 4,894.43 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards 'expenditure on films under production' mainly comprising payments to artistes and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly the company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value. The auditors have drawn qualified opinion in this regard.

2. PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.16,787.91 lakhs (including interest accrued) as per the books of accounts as on 31st March, 2020. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

   Further, The company has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

   Management asserts that no adjustment to the carrying value on investments of Rs.2,521.74 lakhs is required as it is confident, that, by considering the aspects like recovery from the borrowers and other resources to bring in additional cash flows will meet its obligations. The Auditors have drawn qualified opinion in this regard.

3. As on 31st March, 2020, the company has a net worth of Rs.1,192.77 Lakhs. Eventhough, the company is incurring continuous losses, it succeeded in better EBITA Margins. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, during the course of a period, the company indents to strategically merge with its holding company which will create positive synergy in future. The financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors. The auditors have drawn qualified opinion in this regard.

4. **COVID -19 Impact on Business Operations**

   The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The company has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory and investments at balance sheet date. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The company evaluated the internal controls with reference to financial statements which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COIVD-19 situation.

5. The shares of the company is listed in BSE. The Board had a Woman director till Mar'17 and subsequent to the resignation, a new Woman Director was appointed in Dec'18. SEBI issued a Circular in May'18, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th Sep'18 amounting to Rs.7.59 lakhs. The company has filed an appeal with Securities Appellate Tribunal (SAT) for the same. The auditors have drawn Emphasis of Matter in this regard.

6. The Principal Commissioner of CGST and Central Excise has passed an order in 2017 for the Financial Years 2011-12 to 2014-15 with regard to the Service Tax on the perpetual sale of various copyrights, demanding a sum of Rs.802.33 lakhs and penalty of Rs.802.43 lakhs. This is a Film Industry's issue and most of the producers have gone for appeal. Aggrieved by the order, the company has disputed the demand with Honourable Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by paying the required Deposit of Rs.60.18 lakhs, which is shown Under Non– Current Assets.

   In continuation of above Show Cause Notice, during the previous year Additional Commissioner of CGST and Central Excise passed another order for the Financial year 2015-16, 2016-17 and 2017-18 (Till June 2017) on the same grounds demanding a sum of Rs. 155.42 lakhs and penalty of Rs. 15.64 lakhs and further passed an order demanding a sum of Rs. 117.59 lakhs for the Financial year 2015-16 without allowing CENVAT credit. The company has disputed this demand and filed an appeal with CESTAT by paying the required Deposit of Rs.27.31 lakhs, which is shown under Non-Current Assets. The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

7. Picturehouse Media Private Ltd, a Wholly-Owned Subsidiary of the Company, incorporated in Singapore had submitted an application to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") to strike off from the register of companies. Picturehouse Media Private Ltd, Singapore has been officially struck off and dissolved with effect from 5th November, 2018. The Voluntary Strike off of the above dormant subsidiary does not have any material impact on the company.

8. Effective 01st April 2019, the Company has adopted Ind AS 116, 'Leases' using the modified retrospective approach, as a result of which the comparative information is not required to be restated. The cummulative effect of initial application of the standard amounting to Rs.14.17 Lakhs has been recognised as an adjustment to opening balance of retained earnings as at April 1, 2019. The company has recognised Rs.17.12 Lakhs as right to use assets and lease liability of Rs.31.29 Lakhs as on the date of transition i.e April 1, 2019. Accordingly, during the year, Rs. 2.92 Lakhs has been accounted as Finance Cost and Rs. 14.67 Lakhs as Depreciation against the payment of Rs. 29.40 Lakhs.

9. The above audited standalone financial results for the quarter ended and for the year ended 31st March, 2020 of Picturehouse Media Limited ("the company") have been reviewed by the Audit Committee and approved by the Board of Directors.

   The statutory auditors of the company have carried out an audit of the above standalone financial results pursuant to Regulation 33 of the Securities and Exchange Board India (Listing Obligations and Disclosure requirements) Regulation, 2015 as amended and issued modified audit report.

10. The figures for the Quarters ended as on 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter. Also, the figures upto the third quarter was subject to limited review.

11. Based on the management approach, as defined in Ind AS 108,Movie Production and Movie Financing is considered as single operating segment by the considering the performance as whole. Hence segment reporting is not applicable.

12. Previous period figures have been regrouped wherever necessary to confirm to current period classification.

13. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com

For and on behalf of the Board of Directors

PRASAD VEERA POTLURI

Digitally signed by PRASAD VEERA POTLURI
Date: 2020.07.31 06:04:18 -07'00'

Place: Hyderabad
Date: July 31, 2020

Prasad V. Potluri
Managing Director

PICTUREHOUSE MEDIA LIMITED
STANDALONE ASSETS & LIABILITY AS AT 31st March, 2020

(Rs. in Lakhs)

	Particulars	As at Mar 31, 2020 Audited	As at Mar 31, 2019 Audited
I	**ASSETS**		
(1)	**Non Current Assets**		
	(a) Property, Plant and Equipment	41.26	59.68
	(b) Right to use of Asset	-	-
	(c) Financial Assets		
	(i) Investments	2,526.50	2,526.18
	(ii) Loans	-	-
	(iii) Other financial assets	11.32	12.45
	Total Financial Asset	**2,537.82**	**2,538.63**
	(d) Deferred tax assets (net)	-	-
	(e) Other non current assets	486.11	453.05
	Total Non Current Assets	**3,065.19**	**3,051.36**
(2)	**Current assets**		
	(a) Inventories	4,894.43	5,066.25
	(b) Financial Assets		
	(i) Trade receivables	21.10	19.05
	(ii) Loans	2,445.45	3,071.65
	(iii) Cash and cash equivalents	3.62	6.69
	(iv) Other financial assets	1,434.07	1,434.44
	Total Financial Asset	**3,904.24**	**4,531.84**
	(c) Other current assets	94.66	95.68
	Total Current Assets	**8,893.33**	**9,693.77**
(3)	**Non current assets classified as held for sale**	-	-
	Total Assets	**11,958.52**	**12,745.13**
II	**EQUITY AND LIABILITIES**		
A	**EQUITY**		
	(a) Equity Share Capital	5,225.00	5,225.00
	(b) Other Equity	(4,032.23)	(3,371.11)
	Total Equity	**1,192.77**	**1,853.89**
B	**LIABILITIES**		
(1)	**Non Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	7,085.38	7,866.07
	Total Financial Liabilities	**7,085.38**	**7,866.07**
	(b) Provisions	8.20	11.85
	(c) Deferred tax liabilities (Net)	-	-
	Total Non Current Liabilities	**7,093.58**	**7,877.92**
(2)	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	253.19	50.00
	(ii) Trade payables		
	Total outstanding dues to Micro, small and medium enterprises		
	Total Outstanding dues to creditors other than micro, small and medium enterprises	46.82	42.03
	(iii) Other financial liabilities	2,664.32	2,370.33
	Total Financial Liabilities	**2,964.33**	**2,462.36**
	(b) Other current liabilities	696.09	536.97
	(c) Provisions	11.75	13.99
	Total Current Liabilities	**3,672.17**	**3,013.32**
(3)	**Liabilities associated with non current assets held for sale**	-	-
	Total Equity and Liabilities	**11,958.52**	**12,745.13**

PICTUREHOUSE MEDIA LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

	Particulars		As at Mar 31, 2020 Audited	As at Mar 31, 2019 Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before Tax		**(652.19)**	**(1,067.48)**
	Adjustments for:			
	Depreciation and Amortization		35.89	22.73
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property		-	(0.08)
	Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)		-	-
	Fair Value of investments through Profit and Loss		(0.33)	(0.35)
	Sundry creditors written off		(3.80)	(2.72)
	Baddebts written off		-	17.50
	Provision for Diminution in Value of Investments		1.36	-
	Provision for Doubtful Advances and Debtors		19.19	608.40
	Provision for Employee Benefits		(0.25)	3.10
	Inventory written off		-	16.25
	Investment written off		-	2.45
	Interest Income		(206.47)	(626.93)
	Interest Expenses		939.78	816.06
	Cash Generated Before Working Capital Changes		**133.18**	**(211.07)**
	Movement In Working Capital			
	Increase / (Decrease) in Trade Payables		8.59	(362.76)
	Increase / (Decrease) in Other Financial Liabilities		10.78	(462.68)
	Increase / (Decrease) in Other Liabilities		159.12	(28.94)
	(Increase) / Decrease in Trade Receivables		(21.10)	(49.20)
	(Increase) / Decrease in Loans		1.19	160.20
	(Increase) / Decrease in Inventories		171.82	(562.23)
	(Increase) / Decrease in Other Financial Assets		65.71	(3.06)
	(Increase) / Decrease in Other Assets		(26.29)	(106.74)
	Cash Generated From Operations		**503.01**	**(1,626.46)**
	Direct Taxes Paid		(6.14)	(4.31)
	Net Cash Flow From / (Used in) Operating Activities	**(A)**	**496.87**	**(1,630.77)**
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**			
	Purchase of PPE, Intangible Assets and Investment Property		(0.35)	(0.27)
	Repayment/(Advances) made for Film Finance		625.01	(627.04)
	Proceeds from Sale of PPE, Intangible Assets and Investment Property		-	0.10
	Sale/(Purchase) of non current Investments (Net)		(1.50)	46.93
	Interest Income Received		142.26	906.45
	Net Cash Flow From / (Used in) Investing Activities	**(B)**	**765.42**	**326.17**
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**			
	Proceeds from/(to) Short - Term Borrowings (Net)		203.19	-
	Proceeds from Lease Liabilities		(26.48)	-
	Proceeds from Long Term Borrowings		800.07	6,057.41
	Repayment of Long Term Borrowings		(1,580.76)	(3,997.30)
	Interest Paid		(661.38)	(803.27)
	Net Cash Flow From / (Used in) Financing Activities	**(C)**	**(1,265.36)**	**1,256.84**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(A+B+C)**	(3.07)	(47.75)
	Cash and Cash Equivalents at the beginning of the year		6.69	54.44
	Cash and Cash Equivalents at the end of the year		**3.62**	**6.69**
	Components of Cash and Cash Equivalents			
	Cash in Hand		0.03	0.08
	Balances with Banks			
	-In Current Accounts & Deposit Accounts		3.59	6.61
	Cash and cash Equivalent (As per Note 10)		**3.62**	**6.69**

Picturehouse Media Limited

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Audited Financial Results for the Quarter and Year ended 31st March, 2020

CIN:L92191TN2000PLC044077

Statement of Consolidated Financial Results for the Quarter and Year ended 31st March, 2020 — Rs. in lakhs

	PARTICULARS	Consolidated				
		Quarter ended			Year ended	
		31.03.2020 Unaudited	31.12.2019 Unaudited	31.03.2019 Unaudited	31.03.2020 Audited	31.03.2019 Audited
1	**Income**					
	Revenue from operations	63.24	19.05	168.90	1,447.63	627.64
	Other Income	10.47	41.60	3.96	52.25	11.15
	Total Income (1)	**73.71**	**60.65**	**172.86**	**1,499.88**	**638.79**
2	**Expenses**					
	(a) Cost of film production expenses	2.64	27.11	-	987.04	2.41
	(b) Purchases of Stock-in-Trade	-	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	-
	(d) Employee benefit expenses	19.19	12.39	20.06	64.20	74.84
	(e) Finance Cost	1,200.31	1,598.04	1,175.06	3,931.09	3,359.73
	(f) Depreciation and amortization expenses	8.63	9.14	5.44	36.15	26.66
	(g) Others expenses	19.36	16.67	67.55	67.68	162.25
	(h) Provision for doubtful debts and advances	-	19.05	19.93	19.05	606.93
	(i) Provision against Sub-Standard assets	774.87	774.87	6,198.93	3,099.47	6,198.93
	Total Expenses (2)	**2,025.00**	**2,457.27**	**7,486.97**	**8,204.68**	**10,431.75**
3	**Profit/(Loss) before exceptional items and tax (1-2)**	**(1,951.29)**	**(2,396.62)**	**(7,314.11)**	**(6,704.80)**	**(9,792.96)**
4	Exceptional items	-	-	-	-	
5	**Profit before tax (3-4)**	**(1,951.29)**	**(2,396.62)**	**(7,314.11)**	**(6,704.80)**	**(9,792.96)**
6	**Tax expense**					
	a) Current Tax	-	-	-	-	-
	b) Deferred Tax	-	-	-	-	-
	c) Income tax for earlier years	0.40	-	(0.05)	0.40	-
7	**Net Profit for the period/year (5-6)**	**(1,951.69)**	**(2,396.62)**	**(7,314.06)**	**(6,705.20)**	**(9,792.96)**
8	Other Comprehensive Income					
	a) (i) Items that will not be reclassified subsequently to profit and loss					
	Remeasurement of defined benefit obligation	5.12	-	7.44	5.12	7.44
	Less : Income tax expense	-				
	Total Other Comprehensive Income (8)	**5.12**	**-**	**7.44**	**5.12**	**7.44**
9	**Total Comprehensive Income (7+8)**	**(1,946.57)**	**(2,396.62)**	**(7,306.62)**	**(6,700.08)**	**(9,785.52)**
10	Paid-up equity share capital (Face Value of Re. 10/- each)	5,225.00	5,225.00	5,225.00	5,225.00	5,225.00
11	Other Equity				(20,977.45)	(14,263.20)
12	Earnings per share					
	(a) Basic (in Rs.)	(3.74)	(4.59)	(14.00)	(12.83)	(18.74)
	(b) Diluted (in Rs.)	(3.74)	(4.59)	(14.00)	(12.83)	(18.74)

Notes on the Consolidated Financial Results of Picturehouse Media Limited (PHML)

1. The current assets of the group includes loans and advances amounting to Rs.3,632.82 lakhs and 'expenditure on films under production' amounting to Rs. 4,894.43 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards 'expenditure on films under production' mainly comprising payments to artistes and co-producers the group is evaluating options for optimal utilization of these payments in production and release of films. Accordingly the holding company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value. The auditors have drawn qualified opinion in this regard.

2. PVP Capital Limited (‘PVPCL’) a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.16,787.91 lakhs (including interest accrued) as per the books of accounts as on 31st March, 2020. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

   Further, PVPCL has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

   Management has evaluating the action plans to realize the dues to the company and settlement the existing vendors, further company can carry the movie financing business after taking necessary approvals from the RBI. Hence management is of the view that the financial statements shall continue to be prepared on the assumption that the company is a going concern. The auditors have drawn qualified opinion in this regard.

3. PVP Capital Limited has a loan book of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company’s customers did not service the interest and loan repayment. Consequently, the company has made a cummulative provision of Rs. 12,397.87 lakhs for the expected credit loss. Management asserts that no adjustment to the carrying value is required as it is confident of recovery from the borrowers. The auditors have drawn qualified opinion in this regard.

4. As on 31st March, 2020 the company has a negative net worth of Rs.15,752.45 Lakhs. Eventhough the company is incurring continuous losses and negative networth, the group is succeeded in better EBITA Margins. This is entirely aligned with the Group’s long range plan, which encompasses a continued development of the Group’s revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Group has paid advance amounts to the artistes and technicians for the future movies production which is shown under Inventory. Further, during the course of a period, the Group indents to strategically merge with its holding company which will create positive synergy in future. The consolidated financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors. The auditors have drawn qualified opinion in this regard.

5. **COVID -19 Impact on Business Operations**

The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The Group has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory and investments at balance sheet date. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The Group evaluated the internal controls with reference to financial statements which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COIVD-19 situation.

6. The shares of the Picturehouse Media Limited is listed in BSE. The Board had a Woman director till Mar’17 and subsequent to the resignation, a new Woman Director was appointed in Dec’18. SEBI issued a Circular in May’18, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th Sep'18 amounting to Rs.7.59 lakhs. The Holding Company has filed an appeal with Securities Appellate Tribunal (SAT) for the same. The auditors have drawn Emphasis of Matter in this regard.

7. The Principal Commissioner of CGST and Central Excise has passed an order in 2017 for the Financial Years 2011-12 to 2014-15 with regard to the Service Tax on the perpetual sale of various copyrights, demanding a sum of Rs.802.33 lakhs and penalty of Rs.802.43 lakhs. This is a Film Industry's issue and most of the producers have gone for appeal. Aggrieved by the order, the Group has disputed the demand with Honourable Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by paying the required Deposit of Rs.60.18 lakhs, which is shown Under Non– Current Assets.

   In continuation of above Show Cause Notice, during the previous year Additional Commissioner of CGST and Central Excise passed another order for the Financial year 2015-16, 2016-17 and 2017-18 (Till June 2017) on the same grounds demanding a sum of Rs. 155.42 lakhs and penalty of Rs. 15.64 lakhs and further passed an order demanding a sum of Rs. 117.59 lakhs for the Financial year 2015-16 without allowing CENVAT credit. The Group has disputed this demand and filed an appeal with CESTAT by paying the required Deposit of Rs.27.31 lakhs, which is shown under Non-Current Assets. The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

8. Picturehouse Media Private Ltd, a Wholly-Owned Subsidiary of the Company, incorporated in Singapore had submitted an application to the Accounting and Corporate Regulatory Authority of Singapore (“ACRA”) to strike off from the register of companies. Picturehouse Media Private Ltd, Singapore has been officially struck off and dissolved with effect from 5th November, 2018. The Voluntary Strike off of the above dormant subsidiary does not have any material impact on the company.

9. Effective 01st April 2019, the Group has adopted Ind AS 116, 'Leases' using the modified retrospective approach, as a result of which the comparative information is not required to be restated. The cummulative effect of initial application of the standard amounting to Rs.14.17 Lakhs has been recognised as an adjustment to opening balance of retained earnings as at April 1, 2019. The Group has recognised Rs.17.12 Lakhs as right to use assets and lease liability of Rs.31.29 Lakhs as on the date of transition i.e April 1, 2019. Accordingly, during the year, The group has accounted Rs. 2.92 Lakhs as Finance Cost and Rs. 14.67 Lakhs as Depreciation against the payment of Rs. 29.40 Lakhs.

10. The above audited consolidated financial results for the quarter ended and for the year ended 31st March, 2020 of Picturehouse Media Limited ("the company") have been reviewed by the Audit Committee and approved by the Board of Directors. The statutory auditors of the company have carried out an audit of the above consolidated financial results pursuant to Regulation 33 of the Securities and Exchange Board India (Listing Obligations and Disclosure requirements) Regulation, 2015 as amended and issued modified audit report.

11. The figures for the Quarters ended as on 31st March, 2020 and 31st March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter. Also, the figures upto the third quarter was subject to limited review.

12. Based on the management approach, as defined in Ind AS108,Movie Production and Movie Financing is considered as single operating segment by the considering the performance as whole. Hence segment reporting is not applicable.

13. Previous period figures have been regrouped wherever necessary to confirm to current period classification.

14. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com.

For and on behalf of the Board of Directors

PRASAD VEERA POTLURI

Digitally signed by PRASAD VEERA POTLURI
Date: 2020.07.31 06:03:17 -07'00'

Place: Hyderabad
Date: July 31, 2020

Prasad V. Potluri
Managing Director

PICTUREHOUSE MEDIA LIMITED
CONSOLIDATED ASSETS & LIABILITY AS AT 31st March, 2020

(Rs. in Lakhs)

	Particulars	As at Mar 31, 2020 Audited	As at Mar 31, 2019 Audited
I	**ASSETS**		
(1)	**Non Current Assets**		
	(a) Property, Plant and Equipment	146.24	59.71
	(b) Right to use of Asset	-	-
	(c) Financial Assets		
	(i) Investments	4.76	4.44
	(ii) Loans	-	-
	(iii) Other financial assets	11.32	12.45
	Total Financial Asset	**16.08**	**16.89**
	(d) Deferred tax assets (net)	-	-
	(e) Other non current assets	486.11	453.05
	Total Non Current Assets	**648.43**	**529.65**
(2)	**Current assets**		
	(a) Inventories	4,894.43	5,066.25
	(b) Financial Assets		
	(i) Trade receivables	21.10	19.05
	(ii) Loans	5,428.63	9,270.58
	(iii) Cash and cash equivalents	3.93	8.38
	(iv) Other financial assets	1,434.07	1,434.46
	Total Financial Asset	**6,887.73**	**10,732.48**
	(c) Other current assets	94.66	95.68
	Total Current Assets	**11,876.82**	**15,894.41**
(3)	**Non current assets classified as held for sale**	-	-
	Total Assets	**12,525.25**	**16,424.06**
II	**EQUITY AND LIABILITIES**		
A	**EQUITY**		
	(a) Equity Share Capital	5,225.00	5,225.00
	(b) Other Equity	(20,977.45)	(14,263.20)
	Total Equity	**(15,752.45)**	**(9,038.20)**
B	**LIABILITIES**		
(1)	**Non Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	8,022.01	8,769.94
	Total Financial Liabilities	**8,022.01**	**8,769.94**
	(b) Provisions	9.42	12.42
	(c) Deferred tax liabilities (Net)	-	-
	Total Non Current Liabilities	**8,031.43**	**8,782.36**
(2)	**Current Liabilities**		
	(a) Financial Liabilities		
	(i) Borrowings	10,225.00	10,050.00
	(ii) Trade payables		
	Total outstanding dues to Micro, small and medium enterprises		
	Total Outstanding dues to creditors other than micro, small and medium enterprises	52.68	44.66
	(iii) Other financial liabilities	8,059.91	4,923.40
	Total Financial Liabilities	**18,337.59**	**15,018.06**
	(b) Other Current Liabilities	757.88	589.35
	(c) Provisions	1,150.80	1,072.49
	Total Current Liabilities	**20,246.27**	**16,679.90**
(3)	**Liabilities associated with non current assets held for sale**	-	-
	Total Equity and Liabilities	**12,525.25**	**16,424.06**

PICTUREHOUSE MEDIA LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in Lakhs)

	Particulars		As at Mar 31, 2020 Audited	As at Mar 31, 2019 Audited
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before Tax		(6,704.80)	(9,792.96)
	Adjustments for:			
	Depreciation and Amortization		36.15	26.66
	(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property		-	(0.08)
	Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)		-	12.10
	Fair Value of investments through Profit and Loss		(0.33)	(0.35)
	Sundry creditors written off		(3.80)	(1.87)
	Interest provided on Income Tax dues		80.55	94.51
	Baddebts written off			17.50
	Inventory written off			16.25
	Contingent provision for sub standard assets		3,099.47	6,198.93
	Provision for Doubtful Advances		19.05	606.93
	Provision for Employee Benefits		(0.11)	2.12
	Interest Income		(206.47)	(626.93)
	Interest Expenses		3,796.84	3,212.92
	Cash Generated Before Working Capital Changes		**116.55**	**(234.27)**
	Movement In Working Capital			
	Increase / (Decrease) in Trade Payables		11.82	(213.41)
	Increase / (Decrease) in Other Financial Liabilities		10.77	(7.67)
	Increase / (Decrease) in Other Liabilities		168.53	(231.42)
	(Increase) / Decrease in Trade Receivables		(21.10)	(49.20)
	Increase / (Decrease) in Loans		626.19	(619.43)
	(Increase) / Decrease in Inventories		171.82	(562.23)
	(Increase) / Decrease in Other Financial Assets		65.73	(1.45)
	(Increase) / Decrease in Other Assets		(26.29)	(106.76)
	Cash Generated From Operations		**1,124.04**	**(2,025.84)**
	Direct Taxes Paid		(6.16)	168.85
	Interest expenses of financing activity		(14.53)	(41.29)
	Net Cash Flow From / (Used in) Operating Activities	**(A)**	**1,103.35**	**(1,898.28)**
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**			
	Purchase of PPE, Intangible Assets and Investment Property		(9.27)	(0.27)
	Proceeds from Sale of PPE, Intangible Assets and Investment Property		20.00	0.10
	Investments/advances in Subsidiaries		-	48.40
	Interest Income Received		142.26	906.45
	Net Cash Flow From / (Used in) Investing Activities	**(B)**	**152.99**	**954.68**
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**			
	Proceeds from/(to) Short - Term Borrowings (Net)		175.00	-
	Payment of Lease Liabilities		(26.48)	-
	Proceeds from Long Term Borrowings		832.83	6,126.75
	Repayment of Long Term Borrowings		(1,580.77)	(4,428.86)
	Interest Paid		(661.38)	(803.27)
	Net Cash Flow From / (Used in) Financing Activities	**(C)**	**(1,260.79)**	**894.62**
	Net Increase / (Decrease) in Cash and Cash Equivalents	**(A+B+C)**	(4.45)	(48.98)
	Cash and Cash Equivalents at the beginning of the year		8.38	57.36
	Cash and Cash Equivalents at the end of the year		**3.93**	**8.38**
	Components of Cash and Cash Equivalents			
	Cash in Hand		0.03	0.08
	Balances with Banks			
	-In Current Accounts & Deposit Accounts		3.90	8.30
	Cash and cash Equivalent (As per Note 10)		**3.93**	**8.38**

ANNEXURE 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Standalone Financial Results of Picturehouse Media Limited.

Statement on Impact of Audit Qualification on Annual Audited Standalone Financial Results for the Financial Year ended 31st March 2020			
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
Sl No	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lakhs)
1	Turnover/Total Income	1,501.38	1,501.38
2	Total Expenditure	2,153.57	2,153.57
3	Net Profit/(Loss)	-652.59	-652.59
4	Earnings per share (in Rs.)	-1.25	-1.25
5	Total Assets	11,958.52	11,958.52
6	Total Liabilities	10,765.75	10,765.75
7	Net Worth	1,192.77	1,192.77
8	Any other financial item(s) (as felt appropriate by the management)		

Audit Qualification:

S No	Details of Audit Qualification	Type of Qualification	Frequency of Qualification	For Audit Qualification(s) where impact is quantified by the Auditor,	For Audit Qualification(s) where impact is not quantified by the Auditor: Managements estimation on impact of audit qualification	If management is unable to estimate the impact, reasons for the same	Auditors Comments
1	In relation to loans and advances made for film production (including interest accrued) amounting to Rs.3,632.82 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as at 31st March, 2020 as the management was unable to provide us the current status of production films and confirmation of balances from the borrowers. Consequently, we were unable to determine whether any adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the yearend is understated to this extent.	Qualified	Second Time	-	NIL	Realisability is signficantly dependent on timely completion of production of films and the commercial viability of the films under production etc.Management is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value.The management is confident of realising the value at which they are carried notwithstanding the period outstanding.	No further comments
2	In relation to inventory i.e films production expenses amounting to Rs. 4,894.43 lakhs, mainly consists of advances given to artists and co-producers. As the management has not commenced the production of films, the advances continued to be carried as inventory. However, management states that it is evaluating options for optimal utilization of these payments. In the absences of demonstrable approach towards commencement and completion of production of films and also in the absence of confirmation of balances from the parties, we are of the opinion that the realisability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the yearend is understated to this extent.	Qualified	Second Time	-	NIL	The films under production expenses mainly comprising payments to artists and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. The management does not foresee any erosion in carrying value.	No further comments

3	In relation to investment in equity shares in PVP Capital Limited ('PVPCL' a Wholly Owned Subsidiary Company), amounting to Rs.2,521.74 lakhs. Considering erosion in the net worth of the subsidiary company and its dependence on the holding company to continue as a going concern, and in the absence of visible cash flows, defaults in repayment of its dues to bank, non-payment of statutory dues, the company is currently pursuing the realization of dues to the company and settlement of existing lenders, other than this the company has not been carrying any business activity, further the regulatory authorities may cancel the registration to carry the principal business activity as a Non- Banking Finance Company due to non-maintenance of minimum net owned fund of Rs.200 lakhs as stated in said note to the financial statements and other related factors indicates the existence of materiality uncertainty in carrying value of investments. Management asserts that no adjustment to the carrying value is required as it is confident that Investee Company has ability to garner the required cash flows. Whereas we were unable to assess the financial ability of the investee company particularly from the perspective of meetings its obligations. Hence we are of the opinion that the entire carrying value of investment need to be provided for and to this extent the loss for yearend is understated to this extent.	Qualified	Second Time	-	NIL	PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.16,787.91 lakhs (including interest accrued) as per the books of accounts as on 31st March, 2020. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. Further, The company has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration. Management asserts that no adjustment to the carrying value on investments of Rs.2,521.74 lakhs is required as it is confident, that, by considering the aspects like recovery from the borrowers and other resources to bring in additional cash flows will meet its obligations. The Auditors have drawn qualified opinion in this regard.	No further comments
4	In relation to preparation of financial results on "Going Concern Basis", without carrying any major business activity, incurring continuous losses from operations, adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, the impact of outbreak of Coronavirus (COVID -19) on the business operations and other related factors indicates that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. Therefore company may not be able to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding this, the financial results have been prepared as that of going concern and consequently the terminal values of various assets and liabilities have not been determined, and we are therefore unable to express our opinion whether the preparation of financial results on a going concern assumption is appropriate or not.	Qualified	Second Time		NIL	As on 31st March, 2020, the company has a net worth of Rs.1,192.77 Lakhs. Eventhough, the company is incurring continuous losses, it succeeded in better EBITA Margins. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, during the course of a period, the company indents to strategically merge with its holding company which will create positive synergy in future. The financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors.	No further comments

For **Picturehouse Media Limited**

For **Brahmayya & Co.,**
Chartered Accountants
Firm Reg No:000511S

Sd/-

Prasad V. Potluri
Chairman & Managing Director
DIN: 00179175

Sd/-

R.Nagarajan
Audit Committee Chairperson

Sd/-

K.Jitendra Kumar
Partner
Membership No: 201825

Place: Chennai
Date: 31st July, 2020

ANNEXURE 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Consolidated Financial Results of Picturehouse Media Limited.

Statement on Impact of Audit Qualification on Annual Audited Consolidated Financial Results for the Financial Year ended 31st March 2020			
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
Sl No	**Particulars**	**Audited Figures** (as reported before adjusting for qualifications) (Rs. in lakhs)	**Adjusted Figures** (audited figures after adjusting for qualifications) (Rs. in lakhs)
1	Turnover/Total Income	1,499.88	1,499.88
2	Total Expenditure	8,204.68	8,204.68
3	Net Profit/(Loss)	-6,705.20	-6,705.20
4	Earnings per share (in Rs.)	-12.83	-12.83
5	Total Assets	12,525.25	12,525.25
6	Total Liabilities	28,277.70	28,277.70
7	Net Worth	-15,752.45	-15,752.45
8	Any other financial item(s) (as felt appropriate by the management)	-	-

Audit Qualification:

					For Audit Qualification(s) where impact is not quantified by the Auditor		
S No	**Details of Audit Qualification**	**Type of Qualification**	**Frequency of Qualification**	**For Audit Qualification(s) where impact is quantified by the Auditor,**	**Managements estimation on impact of audit qualification**	**If management is unable to estimate the impact, reasons for the same**	**Auditors Comments**
1	In relation to loans and advances made for film production (including interest accrued) amounting to Rs.3,632.82 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as at 31st March, 2020 as the management was unable to provide us the current status of production films and confirmation of balances from the borrowers. Consequently, we were unable to determine whether any adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the yearend is understated to this extent.	Qualified	Second Time	-	NIL	Realisability is signficantly dependent on timely completion of production of films and the commercial viability of the films under production etc.Management is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value.The management is confident of realising the value at which they are carried notwithstanding the period outstanding.	No further comments
2	In relation to inventory i.e films production expenses amounting to Rs. 4,894.43 lakhs, mainly consists of advances given to artists and co-producers. As the management has not commenced the production of films, the advances continued to be carried as inventory. However, management states that it is evaluating options for optimal utilization of these payments. In the absences of demonstrable approach towards commencement and completion of production of films and also in the absence of confirmation of balances from the parties, we are of the opinion that the realisability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the yearend is understated to this extent.	Qualified	Second Time	-	NIL	The films under production expenses mainly comprising payments to artists and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. The management does not foresee any erosion in carrying value.	No further comments
	PVP Capital Limited, company has not adhered to repayment schedule for principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the bank has taken symbolic possession of immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee but there were no bidders and consequently the e-auction sale proceedings has become in fructuous. The outstanding amount is Rs.16,787.91 lakhs as per books of accounts as on 31st March, 2020. Further, the company is currently pursuing the realization of dues to the company and settlement of existing lenders, other than this the company has not been carrying any business activity, the regulatory authorities may cancel the registration to carry the principal business activity as a Non-Banking Finance Company due to non-maintenance of minimum net owned fund of Rs.200 lakhs as stated in the said note to the financial statements, the company's ability to meet its financial obligations, non payment of					PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.16,787.91 lakhs (including interest accrued) as per the books of accounts as on 31st March, 2020. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.	

3	the company's ability to meet its financial obligations, non payment of statutory dues and in the absence of visible cash flows, doubts are cast on its ability to continue as a going concern to achieve its future business plans. Taking into consideration, pending ultimate outcome of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it would be appropriate to treat the company as going concern. However based on the management assertions the company's financial results have been prepared on the basis of going concern, the impact if any, if the company was to be treated as not a going concern is not ascertainable at this stage.	Qualified	Second Time	-	NIL	Further, PVPCL has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration. Management has evaluating the action plans to realize the dues to the company and settlement the existing vendors, further company can carry the movie financing business after taking necessary approvals from the RBI. Hence management is of the view that the financial statements shall continue to be prepared on the assumption that the company is a going concern.	No further comments
4	PVP Capital Limited, in relation to loans for film production amounting to Rs.15,381.04 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management has assessed the recoverability of the loan amount and accordingly made a provision amounting to Rs.12,397.87 lakhs as adequate, no additional provision is necessary in this regard. However, Management is not able to provide us the status of production of films and recoverability of the whole amount. Accordingly, we are unable to express our view, whether any adjustments to the carrying value, if any required, is not ascertainable at this stage	Qualified	Second Time	-	NIL	PVP Capital Limited has a loan book of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's customers did not service the interest and loan repayment. Consequently, the company has made a cummulative provision of Rs. 12,397.87 lakhs for the expected credit loss. Management asserts that no adjustment to the carrying value is required as it is confident of recovery from the borrowers.	No further comments
5	In relation to preparation of consolidated financial results on "Going Concern Basis", while the networth being completely eroded, without carrying any major business activity in the group, incurring continuous losses from business operations, adverse key financial ratios, non-payment of statutory dues, the impact of outbreak of Coronavirus (COVID -19) on the business operations of the Group as mentioned in note no. to the financial results, matters mentioned in preceding paragraphs and other related factors indicates that there is an existence of material uncertainty that will cast significant doubt on the group's ability to continue as a going concern. Therefore company may not be able to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding this, the financial results have been prepared as that of going concern and consequently the terminal values of various assets and liabilities have not been determined, and we are therefore unable to express our view whether the preparation of consolidated financial results on a going concern assumption is appropriate or not.	Qualified	Second Time	-	NIL	As on 31st March, 2020 the company has a negative net worth of Rs.15,752.45 Lakhs. Eventhough the company is incurring continuous losses and negative networth, the group is succeeded in better EBITA Margins. This is entirely aligned with the Group's long range plan, which encompasses a continued development of the Group's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Group has paid advance amounts to the artistes and technicians for the future movies production which is shown under Inventory. Further, during the course of a period, the Group indents to strategically merge with its holding company which will create positive synergy in future. The consolidated financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors.	No further comments

For **Picturehouse Media Limited**

For **Brahmayya & Co.,**
Chartered Accountants
Firm Reg No:000511S

Sd/-

Prasad V. Potluri
Chairman & Managing Director
DIN: 00179175

Sd/-

R.Nagarajan
Audit Committee Chairperson

Sd/-

K.Jitendra Kumar
Partner
Membership No: 201825

Place: Chennai
Date: 31st July, 2020