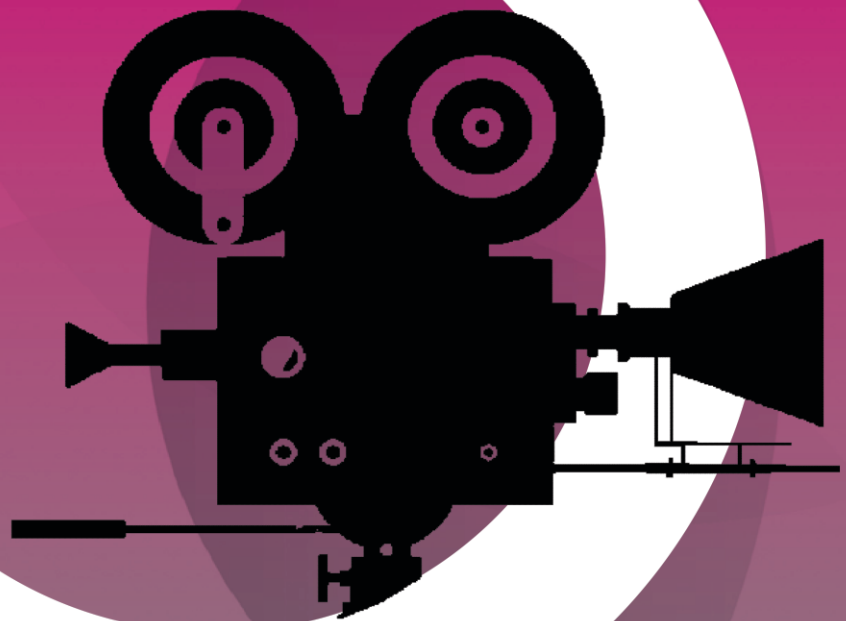




PICTUREHOUSE MEDIA LIMITED

CIN: L92191TN2000PLC044077



ANNUAL  
REPORT  
2021-22



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# MANAGING DIRECTOR'S MESSAGE

**Dear Shareholders,**

**IT HAS BEEN TWO YEARS SINCE** the global pandemic of unprecedented scale hit all of us. While the magnitude of the devastation may be difficult to estimate, there are some truths that cannot be contested lives have been lost, livelihoods have been snatched, and economies have been severely impacted.

As a nation, we collectively fought every odd that the pandemic threw in our direction, with patience and efficiency to resurrect our economy. Vaccination drives were scaled up at a rapid pace which significantly mitigated the impact of the virus.

The media and entertainment industry has been one of the worst hit sectors during the pandemic. Operational challenges became even more complex than expected on account of mobility restrictions that were imposed by the authorities. But, slowly and steadily, as the pandemic started loosening its grip, restrictions started getting lifted completely from the second half of FY 2021-22.

During the year, your company has been actively pursuing opportunity by acquiring Telugu remake rights and other regional language films and planning to release after careful evaluation of the existing distribution channels, market trends and sentiments to optimize revenue.

With the changing dynamics of our industry, we are strategizing various emerging opportunities from digital distribution platforms and shall endeavour to make the best use of them. We believe the coming years hold greater promise for us.

I would like thank everyone of you for your continued support during the year.

Best Regards,

Sd/-

**Prasad V. Potluri**  
Managing Director

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

Mr. Prasad V. Potluri	- Managing Director
Mr. N.S.Kumar	- Independent Director
Mr. Sohrab Chinoy Kersasp	- Independent Director
Mr. Nandakumar Subburaman	- Independent Director
Mrs. Poonamallee Jayavelu Bhavani	- Non-Executive and Non-Independent Director

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. N. S. Kumar	- Chairman
Mr. SohrabChinoyKersasp	- Member
Mr. Prasad V. Potluri	- Member

### **Stakeholders Relationship Committee**

Mr. Sohrab Chinoy Kersasp	- Chairman
Mr. N. S. Kumar	- Member
Mr. Prasad V. Potluri	- Member

### **Nomination and Remuneration Committee**

Mr. Sohrab Chinoy Kersasp	- Chairman
Mr. N. S. Kumar	- Member
Mrs. PJ Bhavani	- Member (Upto August 10, 2021)
Mr. Nandakumar Subburaman	- Member ( From August 11, 2021)

### **CSR Committee**

Mr. N. S. Kumar	- Chairman
Mr. Sohrab Chinoy Kersasp	- Member
Mr. Prasad V. Potluri	- Member

## **KEY MANAGERIAL PERSONNEL (KMP)**

Mr. Prasad V. Potluri	- Managing Director
Mr. Praveen Kumar Aeloori	- Chief Financial Officer
Ms. Derrin Ann George	- Company Secretary & Compliance Officer

## **STATUTORY AUDITORS**

M/s Sundaram & Srinivasan  
Chartered Accountants  
23, C.P. Ramaswamy Road,  
Alwarpet, Chennai – 600 018

## **BANKERS**

Kotak Mahindra Bank Limited  
HDFC Bank

## **REGISTERED OFFICE**

KRM Centre, 9th Floor, Door No. 2  
Harrington Road, Chetpet, Chennai 600 031  
T +91 44 3028 5570, F +91 44 3028 5571  
E - irtelephoto@pvpglobal.com

## **CORPORATE OFFICE**

4th Floor, Punnaiah Plaza, Plot No. 83 and 84,  
Road No. 02, Banjara Hills, Hyderabad 500 034  
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**

M/s 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](mailto:investor@cameoindia.com)

# NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED "COMPANY" WILL BE HELD ON FRIDAY, SEPTEMBER 30, 2022 AT 11.30 A.M., IST, THROUGH VIRTUAL CONFERENCE/OTHER AUDIO VIDEO MEDIA (OAVM) TO TRANSACT THE FOLLOWING BUSINESS. THE VENUE OF MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT KRM CENTRE, 9<sup>TH</sup> FLOOR, DOOR NO. 2, HARRINGTON ROAD, CHETPET, CHENNAI - 600031.

## ORDINARY BUSINESS:

### 1. To receive, consider and adopt

- a. The Audited financial statements of the Company for the financial year ended March 31, 2022 with the reports of the Board of Directors' and Auditor's thereon.
- b. The Audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and Auditor's Report thereon.

### 2. To appoint a Director in place of Mr. Prasad V Potluri (DIN: 00179175) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible offers himself for re-appointment.

### 3. Appointment of Statutory Auditor

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) R P S V & Co., Chartered Accountants, Chennai (Firm's Registration No. 0013151S), be and are hereby appointed as Statutory Auditors of the Company in place M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm's Registration No. 004207S), to hold office for a period of five years, from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of directors in consultation with them."

**"RESOLVED FURTHER THAT** remuneration for the financial year 2022-2023 as may be fixed by the Board of directors in consultation with them for conducting statutory audit, tax audit and limited review of quarterly results."

**"RESOLVED FURTHER That** the Board of Directors be and is hereby severally authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

## SPECIAL BUSINESS :

### 4. Approval of continuation of tenure of Mr. N S Kumar (DIN: 00552519) as an independent director for the residual period of his appointment till September 27, 2024.

To consider and if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution:

**"RESOLVED THAT** in modification of resolution passed by members (hereafter referred as principal resolution) re-appointing Mr. N.S.Kumar as independent director for a tenure of 5 years on September 27, 2019. Further in pursuant to Section 149,152 schedule IV of the Companies Act, 2013 and Regulation 17(1A), 17(1C) 25(2A) of the Listing Regulations and other applicable provisions, if any, of the Act, including any amendment(s), statutory modification(s) or re-enactment(s) thereof, and on the recommendation of Nomination remuneration committee, approval of the members of the Company be and is hereby granted to Mr. N.S.Kumar (DIN: 0055219) who has attained the age of 75 (Seventy Five) years, for holding and continue to hold office of Non-Executive Independent Director of the Company, till the conclusion of 25th AGM of the Company, to be held in the year 2024 being the date of expiry of his current term of office.

**"RESOLVED FURTHER THAT** Mr. N.S.Kumar as an independent director shall not be liable for retirement by rotation during the tenure of his office.

**"RESOLVED FURTHER THAT** the board be and is hereby authorised to take all such steps as it may be deem necessary desirable or expedient and to do all acts, deeds and things in connection therewith and incidental in order to give effect to this resolution".

### 5. Approve material related party transactions.

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 Regulation 23 and all other applicable provisions, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "the Listing Regulations"), and section 188 & all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under, (including any statutory modification(s) and/or re-enactment thereof for the time being in force), the Company's Policy on Related Party Transactions, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the Members of the Company

be and is hereby accorded to the Company to enter into arrangements/transactions/contracts with below mentioned related parties ("Related Party"), relating to transactions the details of which are more particularly set out in the explanatory statement of this Notice, provided however that the aggregate amount/value of all such arrangements/transactions/contracts that may be entered into by the Company with the Related Party and remaining outstanding at any one point in time shall not exceed the limits mentioned below during any one financial year, on such terms and conditions as may be considered appropriate by the Board of Directors (including any authorised Committee thereof);

Name of Related party	Name of Relationship	Nature of Transaction	Amount (INR in Cr.)
Dakshin Realities Pvt Ltd	A private company in which a director relative is a member	Inter corporate loans and advance	500 Crs
BVR Malls Pvt Ltd	Promoter group	Inter corporate loans and advance	500 Crs
Humain Healthtech Private Limited	Promoter group	Inter corporate loans and advance	500 Crs
PV Potluri Ventures LLP	Promoter group	Inter corporate loans and advance	500 Crs
New Cyberabad City Project Pvt Ltd	Fellow-Subsidiary	Inter corporate loans and advance	500 Crs

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted by the Board or any person(s) authorized by the Board in this regard) be and are hereby authorised to do all acts and deeds, things and execute all such documents and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

#### 6. To approve transactions under Section 185 of the Companies Act, 2013.

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution

**"RESOLVED THAT** subject to the provisions of Section 185, and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), to give loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) up to a sum not exceeding Rs. 500 crores at any point in time, in their absolute discretion deem beneficial and in the interest of the Company.

**"RESOLVED FURTHER THAT** any one of the Directors of the Company, Chief financial officer of the company and the Company Secretary of the Company be and are hereby jointly and or severally authorized to do all such acts, deeds and matters including but not limited to making requisite filings with Ministry of Corporate Affairs, Stock Exchanges or any other statutory / regulatory bodies as the case may be, from time to time, that may be required in connection with the above resolution.

#### 7. To change the object clause of Memorandum of Association

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution

**"RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Rules made there under including any amendment, modification or re-enactment thereof and subject to such permission(s), sanction(s) or approval(s) as may be required under the provisions of the said Act or under any other Law for the time being in force or any statutory modification(s) or amendment(s) thereof and subject to the approvals, consents, sanctions and permissions of the Stock exchange(s)/appropriate regulatory and statutory authorities / departments as may be necessary, consent of the members be and is hereby accorded to insert the following clauses in the Memorandum of Association of the company after the existing clause III (A) (3)

- To carry on the business of purchase, acquire, lease or in exchange or in any other lawful manner any land, buildings, structures or properties of any kind for the purpose of investment or resale and to develop the same into town ships, markets or other buildings, residential, industrial or commercial complexes and to equip the same or any part thereof with all or any amenities or conveniences including water, drainage and electric installations and infrastructure or betterment facilities and to carry on the real estate business.

5. To conceive, plan, survey, design, study and evaluate all steps, process, techniques and methods for setting up of all types of infrastructure projects, facilities, works and to finance, build, construct, install, erect, undertake, lay down, commission, establish, own, operate, manage, control and administer, lease, transfer, all infrastructure projects, facilities, works including industrial and technology parks, roads, bridges, fly-overs, highways, roadways, rail roads, railway stations, plat forms, railway yards, railway tracks including gauge conversions thereof, buildings, dams, canals, reservoirs, water supply systems, sewerage and underground drainage systems, airports, seaports, berths, docks and marine structures of all types, civil projects, environmental based projects and equipments, pipeline projects and any other projects and facilities and to produce, manufacture, import, export, design, fabricate, buy, sell and deal in all kinds of construction materials, equipments, machinery and other allied materials.
6. To carry on the business of rendering all services such as planners, designers, consultants, constructors, builders, developers, architects, engineers, erectors, installers, commissioning agents, management consultants and other services required for execution of any infrastructure projects.

**“RESOLVED FURTHER THAT** any one of the Directors of the Company, Chief financial officer of the company and the Company Secretary of the Company be and are hereby jointly and or severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the Board of Directors  
For Picturehouse Media Limited**

Sd/-

**Prasad V. Potluri**  
Managing Director

Place: Chennai  
Date: September 06, 2022

## NOTES

1. In view of the continuing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 2/2022 dated May 5, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to 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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.pvpcinema.com](http://www.pvpcinema.com). The Notice and the Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com))
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from 26th, September to Thursday, 30th September 2022 (both days inclusive).
8. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the members in electronic mode. Members can send an e-mail to [irtelephoto@pvpglobal.com](mailto:irtelephoto@pvpglobal.com) requesting for inspection of the Registers.
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 5, 2020, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No. 2/2022 dated May 5, 2022.
10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice and the Annual Report of the Company is uploaded on the Company's website [www.pvpcinema.com](http://www.pvpcinema.com).
11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23rd September, 2022 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.

12. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 2nd September, 2022 ("Incremental Members") may obtain the User ID and Password by either sending an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or calling on Toll Free No. 1800 1020 990 and 1800 22 44 30. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
13. Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25<sup>th</sup> January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.
14. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. The nomination forms can be downloaded from the company's website [www.pvpcinema.com](http://www.pvpcinema.com). In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.
15. As required in terms of SEBI (LODR) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for reappointment in the AGM is appended to this Notice along with a statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
16. 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 the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.
17. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Monday, 26<sup>th</sup>, September, 2022 at 9:00 A.M. and ends on Thursday, 29<sup>th</sup> September, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September 2022.

#### **How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

#### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeas.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 23 05 87 38 or 022 - 23 05 85 42 - 43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [thr300@gmail.com](mailto:thr300@gmail.com) **the e-mail ID of Scrutinizer** with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [irtelephoto@pvpglobal.com](mailto:irtelephoto@pvpglobal.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [irtelephoto@pvpglobal.com](mailto:irtelephoto@pvpglobal.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting. Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. All grievances connected with the facility for voting by electronic means may be addressed to Ms Soni Singh, Asst. Manager (NSDL) or send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or calling on Toll Free No. 1800 1020 990 and 1800 22 44 30.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request alongwith the questions in advance on September 12, 2022 @ 09.00 am IST to September 23, 2022 upto 05.00 pm IST prior to the meeting mentioning their name, demat account number / folio number, email id, mobile number at [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com). Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting
6. The shareholders who do not wish to speak during the AGM but have queries may send their queries on September 12, 2022 @ 09.00 am IST to September 23, 2022 upto 05.00 pm IST prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com). These queries will be replied to by the company suitably by email.
7. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**General :**

1. Mr. CS Mohit Kumar Goyal, Partner of D. Hanumanta Raju & Co., Company Secretaries, (Membership No. FCS9967 and CoP No. 12751) Practicing Company Secretaries, Hyderabad has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
2. The remote e-voting period commences on Monday September 26, 2022 at 9.00 A.M. and ends on Thursday, September 29, 2022 at 5.00 P.M. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting. The remote e-voting module shall be blocked by CDSL for e-voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

3. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
4. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.pvpcinema.com](http://www.pvpcinema.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited, Mumbai.

By order of the Board of Directors  
**For Picturehouse Media Limited**

Place: Chennai  
Date: September 06, 2022

Sd/-  
**Prasad V. Potturi**  
**Managing Director**

## Annexure to the Notice

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

### ITEM 2:

<b>Name</b>	Prasad V Potluri		
<b>Date of Birth / Age</b>	September 08, 1970; 51 years		
<b>Date of Appointment</b>	December 04, 2007		
<b>Brief resume and Expertise of the director</b>	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.		
<b>Qualification</b>	Bachelor in Mechanical Engineering		
<b>Chairmanship / Membership of the Committees of the Board of Director of the Company</b>	<b>Name of the Committee</b>	<b>Position</b>	<b>Company</b>
	Audit Committee	Member	Picture house Media Limited
	Stakeholders Relationship Committee	Member	Picture house Media Limited
	CSR Committee	Member	Picture house Media Limited
<b>List of other Public Companies in which Directorship held</b>	1		
<b>Chairmanship / Membership of the Committee of other companies in which he is a Director</b>	<b>Name of the Committee</b>	<b>Position</b>	<b>Company</b>
	Audit Committee	Member	PVP Ventures Limited
	Stakeholders Relationship Committee	Member	PVP Ventures Limited
	CSR Committee	Member	PVP Ventures Limited
<b>Board and Committee Membership of other listed companies as on March 31, 2022 along with listed entities from which the person has resigned in the past three years</b>	NA		
<b>Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2022</b>	NA		
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	NA		
<b>Terms and conditions of re-appointment along with details of remuneration sought to be paid</b>	Re-appointment is as per the provisions of section 152(6) of the companies Act, 2013. The proposed director being a managing director is not drawing any remuneration.		
<b>Number of meetings attended during the year</b>	Please refer Corporate Governance Section of the 23rd Annual Report 2021-2022..		

Except Mr. Prasad V Potluri (DIN: 00179175), being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the Ordinary Resolution set out at Item No. 2 of the Notice.

**ITEM 3:**

In terms of Section 139 and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, made thereunder, consequent to resignation of present Statutory Auditors of the Company, M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm's Registration No. 004207S), vide their letter dated August 10, 2022, the proposal for appointment of R P S V & Co., Chartered Accountants, Chennai (Firm's Registration No. 013151S) is placed before the members for their approval. The Company is required to appoint another Statutory Auditor for a period of five years to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting. The Board of Directors at its meeting held on September 06, 2022 after considering the recommendations of the Audit Committee had recommended the appointment of RPSV & Co., Chartered Accountants, Chennai (Firm's Registration No. 013151S), as the Statutory Auditors of the Company subject to the approval of the members. The Audit Committee has recommended appointment of R P S V & Co.,. The new auditors will hold office for a period of five consecutive years from the conclusion of the 23<sup>rd</sup> Annual General Meeting till the conclusion of the 28<sup>th</sup> Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors. M/s. R P S V & Co., ., Chartered Accountants, Chennai have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as the statutory auditors in terms of the Act and the Rules made thereunder. Pursuant to provisions of section 139 of the Act approval of the members is required for appointment of the Statutory auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. R P S V & Co.,, Chartered Accountants, Chennai as the Statutory Auditors of the Company and the remuneration as decided and fix by the Board of Directors of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the in the Ordinary Resolution set out at Item No.3 of the Notice.

**ITEM 4:**

Mr. N S Kumar was originally appointed as an Independent Director on 27.04.2006 and was appointed as Independent Director on its 15<sup>th</sup> Annual General Meeting dated September 26, 2014. A hardcore technocrat, he holds over 25 years of experience in information technology, project management and is aware of best business practices. Also, he has been actively involved in multiple international assignments and managed several initiatives in development, project development and quality assurances. He earned his MS in Computer Science Operations from Ohio University, USA and BE from Guindy College of Engineering, Chennai. Further, he has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act and Regulation 17(1A) & Reg 17(IC) 25(2A) of the Listing Regulations, Mr. N S Kumar Independent Director of the Company has attained 75 year of age as on January 06, 2022. For continuation of his remaining tenure shareholders approval is required through Special Resolution.

None of the Directors and Key Managerial Personnel as may be deemed to be concerned or interested in the resolution

**ITEM 5:**

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "the Listing Regulations"), all Related Party Transactions shall require prior approval of the Audit Committee and all material transactions with related parties shall require approval of the Members of the Company through a resolution and all related parties shall abstain from voting on such resolution.

"Material Related Party Transaction" under the Listing Regulations means any transaction(s) entered into individually or taken together with previous transactions during a financial year exceeding 10% of the annual consolidated turnover of a company as per its last audited financial statements.

The annual consolidated turnover of the Company for the financial year 2021-22 is INR 16.15 Crores. Accordingly, any transaction(s) by the Company with its related party exceeding INR 1.615 Crores (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the Members' approval for the following arrangements/ transactions/ contracts which may be entered into by the Company with its related parties from time to time:

Name of Related Party	Name of Relationship	Nature of Transaction	Amount (INR in Cr.)
Dakshin Realities Pvt Ltd	A private company in which a director relative is a member	Inter corporate loans and advance	500 Crs.
BVR Malls Pvt Ltd	Promoter group	Inter corporate loans and advance	500 Crs.
Humain Healthtech Private Limited	Promoter group	Inter corporate loans and advance	500 Crs.
PV Potluri Ventures LLP	Promoter group	Inter corporate loans and advance	500 Crs.
New Cyberabad City Project Pvt Ltd	Fellow-Subsidiary	Inter corporate loans and advance	500 Crs.

The ceiling on the amounts of the transactions specified as above would mean the transactions entered into and the remaining outstanding at any point of time.

In terms of Regulation 23 of the SEBI Listing Regulations and Section 188 of the Companies Act, 2013 the approval of the Shareholders is sought by way of Ordinary Resolution.

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their meetings held on May 23, 2022, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 With respect to the above matter, the Shareholders/Members are requested to note following disclosures of Interest:

S. No.	Name of the Related Party	Name of the director or key managerial personnel who is related, if any;	Nature of Concern or Interest
1.	Dakshin Realities Pvt Ltd	Ms.Jhansi Sureddi, (Promoter and wife of Managing Director, Mr.Prasad V. Potluri)	A private company in which a director relative is a member
2.	BVR Malls Pvt Ltd	Ms.Jhansi Sureddi, (Promoter and wife of Managing Director, Mr.Prasad V. Potluri)	Promoter group
3.	Humain Healthtech Private Limited	Ms.Jhansi Sureddi, (Promoter and wife of Managing Director, Mr.Prasad V. Potluri)	Promoter group
4.	PV Potluri Ventures LLP	Ms.Jhansi Sureddi, (Promoter and wife of Managing Director, Mr.Prasad V. Potluri)	Promoter group
5.	New Cyberabad City Project Pvt Ltd	Not applicable	Fellow-Subsidiary

Further, in terms of applicable SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November, 2021 the members are requested to take note of the following:

S. No.	Particulars	Details
1.	A summary of the information provided by the management to the Audit Committee	The details of the proposed transactions including the nature, terms, value percentage of the Company's annual consolidated turnover, tenure and proposed limits etc. were placed to the Audit Committee at its meeting held on May 23, 2022
2.	Justification for why the proposed transactions is in the interest of the Company	The company being a holding company, it will funding its subsidiaries, joint ventures and associates and it may also take inter-corporate loans. The end use by the recipient would be for their business requirements, repayment of existing loans and general corporate purposes and investments would be made for maximizing the yield on available surplus funds which is in the interest of the Company.
Transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary		
3.	Details of the source of funds in connection with the proposed transaction;	Through company's cash flow

S. No.	Particulars	Details
4.	where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> <li>• nature of indebtedness</li> <li>• tenure; and</li> <li>• Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security</li> </ul>	<ul style="list-style-type: none"> <li>• Inter Corporate Deposit</li> <li>• upto 1 year</li> <li>• Unsecured, repayable on demand. Interest rate as mutually agreed</li> </ul>
5.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds.	<p>For the Company: Onward lending, repayment of existing loans and general corporate purpose</p> <p>For Other Companies: Repayment of existing loans and general corporate purpose</p>
6.	Statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	No such reports

The Board recommends the resolution set out at Item No. 5 of the AGM Notice to the Members for their consideration and approval, by way of Ordinary Resolution. Except to the extent of shareholding of the Promoters / Directors their Relatives and Key Managerial Personnel in the abovementioned related parties which is duly disclosed above, none of the other Directors/ Key Managerial Personnel/ their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolution set out at Item Nos. 5 respectively.

#### Item No 6

The Company being the holding company of PVP Cinema Pvt Ltd and PVP Capital Limited is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time.

The board recommends passing the resolution as set out at item no. 6 of this notice as a special resolution.

None of the directors or Key Managerial Personnel and / or their relatives is deemed to be interested or concerned financial or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

#### Item No.7

Currently, the Memorandum of Association of the Company provides for the main objects of the Company related to film production and Entertainment Activities. The Company is planning to foray into the real estate Industry, considering the emerging opportunities available in the sector leading to the value addition to the company. In view of this the Company proposes to add the real estate business as one of the Main Objects of the Company.

In this regard, after the Clause III(A) (4) of the Memorandum of Association new clause are being adding as mentioned in the notice.

The Board is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Special Resolution for your approval.

None of the Directors / Key Managerial Personnel/Managers of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding / directorship, if any.



# DIRECTOR'S 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, 2022.

## 1. Financial Results

[RS. IN LAKHS]

PARTICULARS	STANDALONE		CONSOLIDATED	
	2021-22	2020-21	2021-22	2020-21
Total Income	815.16	138.79	1,615.16	138.79
Operational, Administration and Other Expenses	377.77	93.95	1,261.90	1,603.30
<b>Profit/(Loss) Before Depreciation Interest and Tax</b>	<b>437.39</b>	<b>44.84</b>	<b>353.26</b>	<b>(1,464.51)</b>
Depreciation	29.39	33.05	29.97	33.63
Interest and Finance Charges	137.35	97.05	3,992.33	3,305.33
<b>Profit / (Loss) Before Exceptional Items</b>	<b>270.65</b>	<b>(85.26)</b>	<b>(3,669.04)</b>	<b>(4,803.4)</b>
Exceptional Items	3420.08	0	3,420.08	0
<b>Profit / (Loss) Before Tax</b>	<b>(3149.43)</b>	<b>(85.26)</b>	<b>7,089.12</b>	<b>(4,803.47)</b>
Tax Expense	0.20	0	0.20	0
<b>Other Comprehensive Income</b>	<b>7.86</b>	<b>1.30</b>	<b>7.86</b>	<b>2.63</b>
Profit/ (Loss) after Tax	(3141.77)	(83.96)	(7,081.46)	(4,800.84)
Basic and diluted	<b>(6.03)</b>	<b>(0.16)</b>	<b>(13.57)</b>	<b>(9.19)</b>

## 2. STATE OF THE COMPANY'S AFFAIRS

During the financial year 2021-22, the Company witnessed losses both on Standalone and Consolidated basis. The Company's income from operation amounted to Rs. 805.53 lakhs for the current FY while Rs. 1.43 lakhs in the preceding year.

The Standalone Loss after tax stood at Rs.3141.77 lakhs as against loss of Rs.83.96 lakhs in 2021. Further, the Consolidated Loss after tax stood at Rs. 7,081.46 lakhs as against loss of Rs. 4,803.47 lakhs in 2021.

## 3. 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.

## 4. DIVIDEND

In view of the losses incurred 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, 2022.

## 5. CAPITAL STRUCTURE

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

## 6. PUBLIC DEPOSITS

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

## 7. INSURANCE

All the properties of the Company have been adequately insured.

## 8. 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.

## 9. RELATED PARTY TRANSACTIONS

There were no 'material' contracts or arrangements or transactions, and therefore disclosure in form AOC-2 is not required. All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. For all the transactions entered pursuant to the omnibus approval so granted, a statement giving details of all such transactions is placed before the Audit Committee for their approvals on a quarterly basis. The policy on Related Party Transactions as approved by the Board is posted on the Company's website [www.pvpcinema.com](http://www.pvpcinema.com) in accordance with Accounting Standard 18, the Related Party Transactions are disclosed in the notes to accounts of the Standalone Financial Statements.

## **10. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

The company had given a corporate guarantee to one of its wholly owned subsidiaries, PVP Capital Limited ("PCL"). PCL had entered into a one time settlement ("OTS") with Canara Bank for a settlement amount of Rs. 95 Crores on March 15, 2022. PCL had paid Rs. 9 crores upfront and balance Rs. 86 crores was remitted on July 30, 2022.

## **11. SUBSIDIARY COMPANIES**

The Company along with its subsidiaries is operating in the verticals of Film Production and Film Financing. As on March 31, 2022, the Company has 2 (two) wholly-owned subsidiaries viz.,

1. PVP Capital Limited and
2. PVP Cinema Private Limited

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) and Section 133 of the Companies Act, 2013 read with the rules made thereunder and applicable Indian Accounting Standards (Ind AS) along with the Auditor's Report forms part of this Annual Report. 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](http://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.

## **12. 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.

## **13. 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.

## **14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **14.1 During the year, following appointments took place:**

- Ms. Derrin Ann George was appointed as the Company Secretary & Compliance Officer w.e.f 11.04.2022.
- Mr. Prasad V Potluri was re-appointed as the Managing Director for another term of 5 Years at the Annual General Meeting held on 27.09.2021.

### **14.2 Resignation:**

- Mr.Saitejalvaturi resigned as the company Secretary & Compliance Officer w.e.f14.10.2021. No other Director/s and Key Managerial Personnel have resigned other than the stated above during the period under review.

## **15. TRAINING AND FAMILIARIZATION PROGRAMS AND ANNUAL BOARD EVALUATION PROCESS**

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

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 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 as per Section 178(3) of the Companies Act, 2013 is hosted on the Company's website and the web link thereto is [http://pvpcinema.com/docs/other\\_statutory\\_info/PML-N&RCommPolicy.pdf](http://pvpcinema.com/docs/other_statutory_info/PML-N&RCommPolicy.pdf).

#### 16. COMPOSITION OF BOARD COMMITTEES ARE SPECIFIED AS PER THE DATE OF DIRECTOR'S REPORT

Audit Committee	
Mr. N.S.Kumar	Chairman
Mr. Sohrab Chinoy Kersasp	Member
Mr. Prasad V. Potluri	Member

Nomination and Remuneration Committee	
Mr. Sohrab Chinoy Kersasp	Chairman
Mr. N.S.Kumar	Member
*Mrs.Poonamallee Jayavelu Bhavani	Member
**Mr.Nandakumar Subburaman	Member

Stakeholders Relationship Committee	
Mr. Sohrab Chinoy Kersasp	Chairman
Mr. N.S.Kumar	Member
Mr. Prasad V. Potluri	Member

\*Mrs.PoonamalleeJayaveluBhavani– Member till 11.08.2021

\*\*Mr.NandakumarSubburaman—Memberw.e.f 11.08.2021

Corporate Social Responsibility Committee	
Mr. Narayanaswamy Seshadri Kumar	Chairman
Mr. Sohrab Chinoy Kersasp	Member
Mr. Prasad V. Potluri	Member

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

#### 17. NUMBER OF MEETINGS OF THE BOARD

The Board met 4 (Four) times through Video Conference 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.

#### 18. 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 and other applicable provisions, if any. 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, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 proper 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.

## 19. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SEC.149

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (6) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

### Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the year on February 11, 2022 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

## 20. AUDITORS

### 23.1 Statutory Auditor

As per provision of Section 139 of the Act, M/s. Sundaram & Srinivasan, Chartered Accountants, (FRN : 004207S) ("the firm") were appointed on December 11, 2020 as Statutory Auditors ("the Auditors") of your Company for term of five (5) years till the conclusion of 26th Annual General Meeting. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Auditors resigned from the position of the Statutory Auditor of the Company vide letter dated August 10, 2022.

R P S V & Co., Chartered Accountants, Chennai (Firm's Registration No. 013151S), is appointed as Statutory Auditors of the Company to fill in the casual vacancy created by resignation of Sundaram & Srinivasan, Chartered Accountants, in the board meeting held on September 06, 2022 for the term of five (5) years subject to the approval of the Shareholders of the Company in the forthcoming Annual General Meeting.

### Auditors Qualification:

#### On Standalone financial statement:

- (i) Attention is invited to note no.43 to the Standalone Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 509.94 lakhs) aggregating to Rs. 1,633.14 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The company's Board is of the view that advances can be realized at the time of release of the movies and accordingly, it is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2022. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Hence we are not in a position to concur with the view of the Board. Consequently, in our opinion loss is understated to the extent of Rs 1633.14 lakhs.
- (ii) Attention is invited to note no.44 to the Standalone Financial Statements, in relation to inventory i.e., films production expenses amounting to Rs. 3,861.90 Lakhs, consists of advances granted to artists and co-producers. As represented by the Board the film production is under progress with respect to production of 3 movies costing Rs. 1009.78 lakhs. In respect of the balance inventory of Rs. 2852.12 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs. 2852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.
- (iii) Attention is invited to note no.45 to the Standalone Financial Statements, in relation to Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL)  

The subsidiary's net worth stands at Rs. 23060.73 lakhs (negative) as at 31.03.2022. The possibility of liberal cash flow is dim. The company has also defaulted in repayment of loans from banks. Even statutory dues are not remitted into the Government. PVPCL has not maintained minimum net owned funds as per RBI Regulations. Under these circumstances, regulatory authorities may cancel its registration as non-banking finance company. However, the Board of the Picturehouse Media Limited considers there is no need to provide for impairment in investment made. We do not agree with that view. But it is difficult to assess correctly the extent of erosion and the loss arising therefrom
- (iv) Attention is invited to note nos. 46 to the Standalone Financial Statements, in relation to preparation of financial results on "Going Concern Basis".

Though the company is advancing for production of movies, it is still incurring losses from operations (negative networth Rs. 2032.96). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, and other related factors indicate that there is an existence of material uncertainty

that will cast significant doubt on the company's ability to continue as a going concern. 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 redetermined.

We are, however, unable to express our view whether the preparation of financial results on a going concern basis is correct or not.

- v) According to the information and explanations given to us, the company has complied with the provisions of section 185 of the companies act with respect to loans granted, investments made, guarantee furnished and security provided, as applicable. In respect of investments made, guarantee furnished and security provided the company has complied with the provisions of Section 186 of the Act. However in respect of loans and advances granted, the company has not charged any interest and hence not in compliance with the provisions of section 186 of the Act.

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

#### **On consolidated financial statement:**

1. Attention is invited to note no.46 to the Consolidated Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 509.94 lakhs) amounting to Rs. 1633.14 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The holding company's Board is of the view that 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 are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2022. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Consequently, we were unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2022 is understated.
2. Attention is invited to note no.47 to the Statement, in relation to inventory i.e. films production expenses amounting to Rs. 3861.90 lakhs, consists of advances granted to artists and co-producers. As represented by the management the film production is under progress with respect to production of three movies costing Rs. 1009.78 lakhs. In respect of the balance inventory of Rs. 2852.12 lakhs, the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.
3. Attention is invited to note no. 50 to the consolidated financial statements, in relation to preparation of consolidated financial statements on "Going Concern Basis".

While the net worth has completely eroded and the Group not carrying major business activity and the Group incurring continuous losses from business operations, existence of adverse key financial ratios, non-payment of statutory dues and other related factors indicate that there exists material uncertainty that will cast significant doubt on the Group's ability to continue as a going concern.

Therefore, we opine that Group may not be able to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding this, the financial statements have been prepared as that of going concern and consequently the fair value of various assets and liabilities have not been re-determined, and we are therefore unable to express our view whether the preparation of consolidated financial statements on a going concern assumption is appropriate or not.

4. The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31st March, 2022 have drawn qualified opinion.
  - a. Note No. 16.6 in the financial statements which indicates that the Company has not adhered to the repayment schedule for the principal and interest dues to the Bank, consequent to which the Bank has filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act, 2002). Further the Bank has taken over symbolic possession of the immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee. The outstanding amount is Rs. 23856.86 lakhs as per the books of account as at March 31, 2022

- b. The company proposed to the bank for OTS and the same is accepted and agreed by the bank letter dated 15th March 2022 giving option for one time settlement (OTS) as full and final for Rs. 95.00 crore Out of which the company had already made payment Rs. 9.00 crore and the balance OTS amount Rs. 86.00 cr should be payable on or before 14th September 2022.
- c. Further the Company is currently pursuing the realization of dues to the Company and other than this the Company is not carrying any business activity. The regulatory authority 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. 2 crores as stated in the said note to the financial statement. The Company's inability to meet its financial statements, non-payment of statutory dues and in absence of visual cash flows, doubts are cast on the ability of the Company to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it is appropriate to treat the Company as a going concern. However based on the management's assertions the Company's financial statements have been prepared on the basis of going concern and the impact, if any, if it were to be treated as a going concern, is not ascertainable at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of consolidated financial statements in India in terms of Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion

**Management Comments on the above qualification:**

1. 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. The management is confident of realising the value at which they are carried notwithstanding the period outstanding.
2. 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.
3. PVPCL has applied for One Time Settlement (OTS) to the bank and the same was agreed by the bank vide letter dated March 15, 2022. The lender Bank has agreed for Rs.9500 lakhs as OTS. PVPCL has remitted Rs. 900 lakhs and the balance of Rs. 8600 lakhs would be remitted on or before September 14, 2022. However, the Board of the Picturehouse Media Limited considers there is no need to provide for impairment in investment write down considering its future cash flows and possibility of recovering its dues from its borrowers.
4. 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. 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.
5. PVPCL has applied for One Time Settlement (OTS) to the bank and the same was agreed by the bank vide letter dated March 15, 2022. The lender Bank has agreed for Rs.9500 lakhs as OTS. PVPCL has remitted Rs. 900 lakhs and the balance of Rs. 8600 lakhs would be remitted on or before September 14, 2022. 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.
6. The management is taking all necessary steps to strengthen the internal control frame work.

**Note:**

- 1) All the recommendations made by the Audit Committee and Nomination and Remuneration Committee are taken on record and accepted by the Board of Directors.
- 2) The Statement of Impact of Auditors Qualifications for the year ended 31st March, 2021 as per Regulation 34 (2) (a) of SEBI (LODR) Regulations, 2015 can be navigated via OTHER STATUTORY INFORMATION (pvpcinema.com)

## 20.2 Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and Rules and Regulation 24A of the Listing Regulations and other applicable provisions, framed thereunder, as amended, your Company has appointed M/s. D. Hanumata Raju and Co., Company Secretaries, to undertake the Secretarial Audit of Picturehouse Media Limited

The Secretarial Audit Report for financial year 2021-22 forms part of Annual Report as Annexure 2 of the Board's Report.

### Auditors Qualification:

- a. The Company did not submit statement of Investor Complaints as per regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31.12.2021 with the stock exchange within 21 days from the end of the quarter. However, the Company submitted the same on 08.02.2022.
- b. The Company did not submit Annual Secretarial Compliance Report as per regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31.03.2021 with the stock exchange within prescribed / extended timelines. The Company submitted the same on 14.07.2021.
- c. The Company did not submit Shareholding Pattern as per regulation 31(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31.12.2021 with the stock exchange within 21 days from the end of the quarter. However, the Company submitted the same on 22.02.2022.
- d. The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31st March, 2021 as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. The Company did not submit Reconciliation of Share Capital Audit Report as per Regulation 76 of SEBI (Depository Participants) Regulations, 2018 for the quarter ended 31.12.2021 with the stock exchange within 30 days from the end of the quarter. However, the Company submitted the same on 23.02.2022.
- f. The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 with the stock exchange within prescribed / extended timelines. However, the Company filed the same on 30.06.2021.
- g. The Company did not report the CSR activities in the Annual Report for the year ended 31st March, 2021 in the prescribed format issued by Ministry of Corporate Affairs vide Notification dated 22.01.2021 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

### Management Comments on above Qualifications

- Non compliance with respect to point no. a,c,e was due to serious cash crunch faced by the company during the reported period. The company was unable to make annual custodian fees to NSDL & CDSL. Further the custodians did not release the shareholding data to the RTA. Therefore there was a delay in filing the reports.
- The qualifications of Secretarial auditor pertaining to delay/ missing in filing of reports have been noted by the management. The company assures timely compliance in the future.

## 21. COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not maintained.

## 22. REPORTING OF FRAUDS

There have been no instances of fraud reported by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

## 23. STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE).

## 24. DETAILS OF APPLICATION MADE OR PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016.

During the year under review, there were no applications made or proceedings pending in the name of the company under the Insolvency Bankruptcy Code, 2016.

**25. DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS**

During the year under review, the wholly owned Subsidiary of the company "PVP Capital Limited" entered into a One-time settlement for Loan amount of Rs.10000 Lacs with Canara Bank (Lender Bank).The lender bank agreed for OTS of Rs.9500 Lacs vide letter dated March 15,2022. PVP Capital Limited had remitted Rs. 900 lakhs and the balance of Rs. 8600 lakhs was remitted on 30.06.2022.

**26. MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION**

As required under the listing regulations, the Managing Director and the Chief Financial Officer Certification is attached to this Report.

**27. SIGNIFICANT ORDERS AND MATTERS**

The Details of significant passed forms part of the Corporate Governance.

**28. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134 (3)(a) of the Companies Act, 2013, the Annual Return in the prescribed format is available on website of the Company <http://pvpcinema.com/otherstatutory-information/>.

**29. INTERNAL FINANCIAL CONTROL**

The Company has a well-placed, proper and adequate Internal Financial Control (IFC) system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. This is commensurate with the nature of business and the size and complexity of the company's operations.

The company also has internal control through sufficient policies and procedures over the recoverability of advances made for film financing and provide reasonable assurance that such advances would not affect the company adversely.

**30. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any genuine grievances to the appropriate authority.

The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company [www.pvpcinema.com](http://www.pvpcinema.com). During the year under review the Company has not received any complaint(s) under the said policy.

**31. CORPORATE SOCIAL RESPONSIBILITY**

Since the average three year's profit of the company is negative, the company is not mandated o contribute towards corporate social responsibility. Till January 22, 2021 the companies were allowed to either explain or comply with CSR provision. Thereafter, the companies were mandated to make CSR contributions. Wherein if the Unspent amount pertains to 'ongoing projects', the companies shall transfer such unspent amount to a separate bank account of the company to be called as 'Unspent CSR Account' within 30 days from the end of the financial year or if Unspent amount pertains to 'other than ongoing projects' the companies shall transfer unspent amount to any fund included in Schedule VII of the Act within 6 months from the end of the financial year.

Further in terms of the FAQ released by ICSI on April 29, 2021, it could be understood that the new amendments are prospective in nature i.e. effective only from January 22, 2021. In FAQ 23 it is stated that "The applicability of this amendment is prospective". The company had unspent CSR contribution in past pertaining to the financial year 2015-2016 which the company based on the recommendation of committee spent directly. The details of the same is given as Annexure 3

**32. PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure 4 to the Board's Report.

**33. RISK MANAGEMENT POLICY**

The Company has risk management policy in place with an object to ensure that all the Current and Future Material Risks of the Company are identified, assessed/quantified and effective steps are taken to mitigate/ reduce the effects of the risks to ensure proper growth of the business and there are no elements of risk, which in the opinion of Board of Directors may jeopardize the existence of the Company.

**34. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.



**35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition And Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year ended 31st March, 2022, the Company has not received any complaints pertaining to Sexual Harassment.

**36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars regarding technology absorption, conservation of energy and foreign exchange earnings and outgo required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 to the extent applicable are as under

A	<b>CONSERVATION OF ENERGY</b> The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy.		
B	<b>TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b> The Company continues to use the latest technologies for improving the quality of its operations.		
C	<b>FOREIGN EXCHANGE EARNINGS AND OUTGO</b>		
<b>[Rs. In Lakh]</b>			
	<b>PARTICULARS</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	Foreign Exchange Earnings	Nil	Nil
	Foreign Exchange Outgo	Nil	Nil
	Total	Nil	Nil

**37. CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those either expressed or implied in the statement depending on the circumstances.

**38. ACKNOWLEDGEMENTS**

The directors acknowledge with gratitude the co-operation and assistance received from the bankers, actors, technicians, directors, production houses, shareholders, government agencies and other business associates. The Directors wish to place on record their deep sense of appreciation for the committed services by the employees of the Company.

**For and on behalf of Board of Directors**

Place: Chennai  
Date: September 06, 2022

Sd/-  
**Prasad V. Potluri**  
Managing Director

Sd/-  
**N S Kumar**  
Director

# MANAGEMENT DISCUSSION AND ANALYSIS

## A. INDUSTRY STRUCTURE AND DEVELOPMENT

Indian economy was projected to become the fastest growing major economies in the world during early 2018, driven by strong consumption and steady growth across sectors. After the second wave of COVID-19 infections early last year, which adversely impacted activity and took a toll on individuals, India's economy experienced a swift revival. With a quick vaccination programme roll-out and government support, India was able to contain the harm caused by the COVID-19's third wave.

In 2021, the media and entertainment industry saw continued changes from technological progress, evolving generational behaviors, and ongoing impacts from the global pandemic. Despite the challenges, the Indian media and entertainment industry is at the cusp of rapid development backed by a steady increase in consumer demand and rising internet penetration and OTT platform development.

## B. OPPORTUNITIES & THREATS

- In the times of crisis Over the top (OTT) has come as boom to the film makers as theatrical release of movies has reduced, which has adversely impacted the revenue generation of the corporates.
- OTT is still a relatively new phenomenon, it still offers great opportunities for media companies, content providers and advertisers.
- The increasing adoption of pirated content can have a significant negative influence on the business, and is a major threat.
- Customers now have a greater variety of alternatives available at their disposal. This makes customer retention a huge challenge since they always seek various options at affordable prices.

## C. OUTLOOK

CY 2022, global economy is projected to continue with its postpandemic recovery and grow at 3.6%, as per the IMF. Economic activity is expected to return to normalcy across most major economies. However, rising energy and food prices have restricted the ability of Governments and central banks to continue with their accommodative stance and the focus has now shifted to reining in inflation. As a result, interest rates have started to rise in advanced economies as well as in developing economies and more aggressive responses are expected going forward. Overall economic outlook of the economy would likely to be guided by the developments in handling of the pandemic. However, governmental measures have shown promise in reviving the economy from the contraction at the earliest by boosting domestic demand and consumption.

The approval of Production Linked Schemes for 14 important sectors will also aid India in attracting investments, bolstering its position as the world's fastest - growing emerging market. Aside from these variables, India's economic story is expected to be driven in the near future by a favourable young demography and steady urbanisation.

For Media & Entertainment industry and specifically the cinema & multiplex industry is now again gaining traction with the opening of Malls and theatres as the severity of the pandemic recedes.

## D. RISKS AND CONCERNS

The impact on business in FY 2021-22 due to pandemic led disruption was similar to FY 2020-21 but lesser in intensity. The recurring covid-19 surges affected the performance of film and media industry as more people sought media and entertainment at home, while often avoiding larger in-person events.

As a result, some films (from low to mid-budget) had chosen direct-to-OTT distribution since it allows film makers to monetise their inventory at an acceptable return on investment.

**E. DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Particulars	2021-22	2020-21	Growth(%)	Reason for change
Revenue from operations	805.53	1.43	56230.8%	Revenue from distribution and film other rights
EBIDTA	270.65	(85.26)	417.441%	
PBT	(3149.43)	(85.26)	(3590.39%)	
PAT	(3149.63)	(85.26)	(3594.14%)	
CURRENT RATIO	1.87	2.60	(28.07%)	

**F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company's internal control systems are commensurate with the nature of its business and the size complexity of its operation. The audit committee of the board of directors regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls.

**G. HUMAN RESOURCES**

Your Company has a robust Career Development framework that gives employees the power to define aspirations and take charge of their career. They can discuss their development needs and aspirations with their managers and carve a development plan for the future. Your Company extends the required assistance to employees and provide them with opportunities that can facilitate employees to grow both personally and professionally.

Total number of employees as on March 31, 2022 was one in the company.

**H. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATION THEREOF, INCLUDING**

S.N.	Ratios	31-Mar-22
1	Current ratio (Current Assets/Current Liabilities)	1.87
2	Debt-equity ratio	-3.58
3	Debt service coverage ratio	-22.20
4	Return on equity ratio (Net profit after tax/Average Shareholders equity)	682%
5	Inventory turnover ratio (Cost of goods sold/Average inventory)	0.06
6	Trade Receivables turnover ratio (Net sales/Average Trade receivables)	170.17
7	Trade payables turnover ratio	-
8	Net capital turnover ratio (Net sales/Working capital)	31%
9	Net profit ratio (Net profit/Sales)	-391%
10	Return on Capital employed	-125%

# REPORT ON CORPORATE GOVERNANCE

## Company's philosophy on Corporate Governance

Corporate Governance, protecting Customers', Shareholders', and other Stakeholders' interests. In line with this philosophy, the Company endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices. The following is a report on the status and progress on the major aspects of Corporate Governance.

## Board of Directors:

The Board consists of Five Directors comprising 1 (one) - Executive Director and 3 (three) Independent Directors and 1 (Two) Non-Executive Non-Independent Directors which includes Non-Executive Non-Independent Woman Director, as on March 31, 2022

Name of the Director	Director Category	No. of Board Meetings attended	Attendance at previous AGM held on September 27, 2021	No. of Directorships in other companies	No. of Committee Memberships in other companies		No. of shares / convertible instrument held by the director
					Chairman	Member	
Mr. Prasad V. Potluri	Managing Director	4	Yes	1	Nil	Nil	Nil
Mr. N S Kumar	Non-Executive and Independent Director	4	Yes	4	2	4	Nil
Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	4	Yes	7	2	4	Nil
Mrs. PJ Bhavani	Non-Executive Director Non Independent Director	3	Yes	1	Nil	Nil	Nil
Mr. Nanda kumar Subburaman	Non-Executive and Independent Director	4	Yes	3	0	1	Nil

## Note:

- Other directorships also include Private Limited Companies.
- Only membership in Audit Committee, Stakeholders' Relationship Committee have been reckoned for Committee Memberships
- The time gap between the Board Meetings was within the prescribed time limits.
- None of the other Directors are related inter se in any manner.
- The Board of Directors met four times during the year on June 22, 2021, August 11, 2021, November 11, 2021 and February 11, 2022.
- None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he / she is a Director.

## Names of other Listed Companies in which the Directors of the Company is a Director and their category:

S.No.	Name of the Director	Name of Other Listed Company	Category of Directorship
1.	Mr. Prasad V. Potluri	PVP Ventures Limited	Managing Director
2.	Mr. N S Kumar	PVP Ventures Limited	Non-Executive Independent Director
3.	Mr. Sohrab Chinoy Kersasp	PVP Ventures Limited	Non-Executive Independent Director
4.	Mrs. PJ Bhavani	PVP Ventures Limited	Non-Executive Non-Independent Director
5.	Mr. Nandakumar Subburaman	PVP Ventures Limited and Bharat Dynamics Limited	Non-Executive Independent Director in both the companies

## Familiarisation programme for Independent Directors

A Familiarisation programme for Independent Directors of the Company was being conducted on or before completion of Board Meetings and the details of such familiarisation programmes are disseminated on the website of the Company <http://www.pvpcinema.com> other - statutory - information/were also made at the meeting of the Board of Directors/ Committees by KMP's/Senior Executives of the Company on Company's financial and operational performance, industrial relations prevailing during the period, marketing strategies, etc.

## General Director Qualification Criteria

The Board has not established specific minimum age, education and years of business experience or specific types of skills for Board members, but, in general, expects a candidate to have extensive experience and proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

In terms of requirement of Listing Regulations, the Board has identified the following skills /expertise /Competencies of the Director are given below

## Skills / Expertise / Competencies of the Board of Directors:

The Board has not established specific minimum age, education and years of business experience or specific types of skills for Board members, but, in general, expects a candidate to have extensive experience and proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values

The following are the core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the said skills are available with the Board Members;

## Skills and its description

	Mr. Prasad V. Potluri	Mrs. P. J Bhavani	Mr. N S Kumar	Mr. Sohrab Chinoy Kersasp	Mr. Nandakumar Subburaman
<b>Finance and Accounting Experience</b> Experience in handling Financial Management of the organization along with an understanding of accounting and Financial Statements.	✓	✓	✓	✓	✓
<b>Experience of crafting Business Strategies</b> Experience in developing long-term strategies to grow business, consistently, profitability and in a sustainable manner in diverse business environment and changing economic conditions.	✓	✓	✓	✓	✓
<b>Experience on understanding of the changing regulatory landscape</b> Experience of having Board accountability, high governance standard with an understanding of changing regulatory framework.	✓	✓	✓	✓	✓

## Independence of Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 ("Act") along with rules framed thereunder. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further during the Financial year ended March 31, 2022 none of the Independent Director resigned.

## Committees of the board

With a view to have a more focused` attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

## Audit Committee

The Audit Committee met Four (4) times during the financial year 2021-22 i.e., on June 22,2021, August 11,2021, November 11,2021 and February 11,2022 not more than One Hundred and Twenty days had elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

Sl . No	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
1.	Mr. N S Kumar	Chairman	4	4
2.	Mr. Sohrab Chinoy Kersasp	Member	4	4
3.	Mr. Prasad V. Potluri	Member	4	4

The Audit Committee acts as a link between the Board of Directors and the Statutory and Internal Auditors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The role and terms of reference of the Audit Committee are governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As on March 31, 2022, the Audit Committee comprised of two Independent Director and Managing Director, all of whom are financially literate and have relevant finance / accounting exposure. The Chief Financial Officer is the permanent invitee to the meetings of the committee. The Statutory Auditor and Internal Auditors were present at Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Brief description of terms of reference

The Audit Committee reports to the Board and its terms of reference are as under:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Modified opinion(s) in the draft audit report;
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or is charging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xxi. Monitoring the end use of funds raised through public offers and related matters;
- xxii. To review the management discussion and analysis of financial condition and results of operations;
- xxiii. To review the statement of significant related party transactions (as defined by the audit committee), submitted by management;
- xxiv. To review the management letters / letters of internal control weaknesses issued by the statutory auditors;
- xxv. To review the internal audit reports relating to internal control weaknesses;
- xxvi. To review the appointment, removal and terms of remuneration of the chief internal auditor.
- xxvii. To review the statement of deviations of following:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxviii. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and
- xxix. The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Non-Executive and Independent Directors. Mr. Sohrab Chinoy Kersasp is the Chairman of the Committee. Mr. N S Kumar and Mr. Nandakumar Subburaman are the other members. The Company Secretary is the Secretary to the Committee. The Chairman of Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on September 27, 2021. Further, the Committee was re-constituted in the Board Meetings held on August 11, 2021. The Nomination & Remuneration Committee met Three (3) time during the financial year 2021-2022 on June 22, 2021, August 11, 2021 and February 11, 2022. The necessary quorum was present for all the Nomination and Remuneration Committee Meetings.

Sl. No	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
1.	Mr. Sohrab Chinoy Kersasp	Chairman	3	3
2.	Mr. N S Kumar	Member	3	3
3.	*Mrs. PJ Bhavani	Member	3	1
4.	#Mr. Nandakumar Subburaman	Member	1	1

\*Mrs. PJ Bhavani ceased to be a Member w.e.f August 11, 2021.

#Mr. Nandakumar Subburaman became member w.e.f August 11, 2021.

The role and terms of reference of the Nomination and Remuneration Committee are governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### **Brief description of terms of reference**

The Terms of Reference of Nomination and Remuneration Committee is as follows:

- (i) Determine/recommend the criteria for qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- (iii) Formulate criteria for evaluation of each Director's performance and performance of the Board as a whole;
- (iv) Devising a policy on diversity of board of directors;
- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal.
- (vi) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vii) Determine/recommend the criteria for appointment of Executive, Non-executive and Independent Directors to the Board;

#### **Remuneration Policy**

The Nomination and Remuneration (N&R) Committee has framed a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director / KMP's and their remuneration.

#### **Performance Evaluation Criteria of Independent Director**

During the year, committee under the guidance of Board, also formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

#### **Board Level Performance Evaluation**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on annual basis. The Performance evaluation of Independent Directors was carried out by the entire Board of Directors without participation of the directors who are subject to the evaluation.

#### **Remuneration of Directors:**

- a) There is no pecuniary relationship or transaction of Non-Executive Directors with the Company during the year 2021 - 2022.
- b) No remuneration is paid to Non-Executive Directors, apart from sitting fee for attending the Board & Committee meetings.
- c) Disclosures with respect to remuneration

The Non-executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission of such sum as may be approved by the Board of Directors within the limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Managing Director is not drawing any remuneration. Currently, the Non-executive Directors of the Company are not being paid any commission. Details of sitting fees paid to the Directors are as follows:



S. No	Name of the Directors	Category of Directorship	Salary	Commission	Sitting Fees	Stocks Option	Other Perquisites
1	Mr. Prasad V. Potluri	Managing Director	0	0	0	0	0
2	Mr. N S Kumar	Non-Executive Independent Director	0	0	1,30,000	0	0
3	Mr. Sohrab Chinoy Kersasp	Non-Executive Independent Director	0	0	1,30,000	0	0
4	Mr. Nanadakumar Subburaman	Non-Executive Independent Director	0	0	90,000	0	0
5	Mrs. P J Bhavani	Non-Executive Non-Independent Director	0	0	65,000	0	0

d) Details of fixed component and performance linked incentives, along with the performance Criteria: NA

e) Service contracts, notice period, severance fees: Nil

f) Company has not granted any Stock options during the year

#### Stakeholders' Relationship Committee

The Stakeholders Relationship Committee carries out the functions of transmissions, issue of duplicate share certificates, dematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, non-receipt of annual reports etc.

The Committee met Two (2) times during the financial year 2021 - 22 on June 22,2021, August 11,2021.

S. No	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
1.	Mr. N S Kumar	Chairman	2	2
2.	Mr. Sohrab Chinoy Kersasp	Member	2	2
3.	Mr. Prasad V. Potluri	Member	2	2

Mr. Saitejaivaturi, Company Secretary and Compliance Officer resigned with effect from October 14,2021. Ms. Derrin Ann George was appointed as Company Secretary and Compliance Officer with effect from April 11,2022.

a. Number of shareholders complaints received during the financial year – NIL

b. Number of complaints not resolved to the satisfaction of shareholders is NIL

c. There were no pending complaints as at the year end

#### General Body Meetings

The details of the Annual General Meetings held in the last three years are as follows:

Year	Venue	Date & time	Special resolutions passed
2020-21	Deemed place of meeting is Registered office i.e., KRM Centre, 9th Floor, Door No. 2 Harrington Road Chetpet - 600031, Tamil Nadu, India through Video Conference.	September 27, 2021,12.00 P.M	*Passed 1
2019-20	Deemed place of meeting is Registered office i.e., KRM Centre, 9th Floor, Door No. 2 Harrington Road Chetpet - 600031, Tamil Nadu, India through Video Conference.	December 11, 202011:30 A.M	NIL
2018-19	Sri. P. Obul Reddy Hall", VaniMahal, 103, G N Road, T. Nagar, Chennai – 600 017, Tamil Nadu	September 27, 2019,11:30 A.M	**Passed 1

\*Reappointment of Mr. Prasad V Potluri as managing director of the company .

\*\* Reappointment of Mr. N S Kumar as an Independent Director of the Company (On expiry of 1st tenure of 5 years)

During the year 2021-22, the Company has passed no resolution through Postal Ballot and by way of Extraordinary General Meeting. Further the company does not propose to pass resolution through postal ballot. In case, any resolution needs to be passed through Postal Ballot during the year 2021-22, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

**Means of Communication:**

- a) The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and MakkalKural.
- b) Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges as per Clause 41 of the Erstwhile Listing Agreement and Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are displayed on the Company's website [www.pvpcinema.com](http://www.pvpcinema.com)
- c) The website [www.pvpcinema.com](http://www.pvpcinema.com) also displays vital information relating to the Company and its performance and such other statutory information such as shareholding pattern, annual reports, policies/code of conduct and such other like.
- d) No presentations have been made to institutional investors or to analysts.

**General Shareholder information:**

- a) Annual General Meeting

Day, Date and Time	Friday, 30th September, 2022 @ 11.30 A.M
Venue	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"). The Registered office i.e Krm Centre, 9th Floor, Door No. 2 Harrington Road, Chetpet - 600031, Tamilnadu

- b) Financial Calendar of the Company

The Financial year covers the period from April 01 to March 31

Results for Quarter ending June 30, 2022	First fortnight of August, 2022
Results for Quarter ending September 30, 2022	First fortnight of November, 2022
Results for Quarter ending December 31, 2022	First fortnight of February, 2023
Results for Quarter ending March 31, 2023	Last Week of May, 2023

- c) Dividend payment date - Not Applicable

- d) Listing of Shares

The shares of the Company are listed at BSE Limited (BSE) the Listing Fees for the Financial Year 2022 - 2023 has been paid. The Company's scrip is 532355 for BSE.

- (e) Details of the outstanding ADRs / GDRs / Warrants or Convertible Instruments: Nil

- (f) Stock Market Data

- i. PHML share price on BSE vis-à-vis BSE Sensex April 2021 - March 2022

Month	BSE Sensex Close	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of shares traded during the month	Turnover (in Rs.)
Apr-21	48782.36	1.14	1.14	1.14	3000	3,420
May-21	51937.44	1.14	1.09	1.14	19187	21,750
Jun-21	52482.71	1.26	1.14	1.24	15310	17,888
July-21	52586.84	1.36	1.11	1.36	9852	11,348
Aug-21	57552.39	2.25	1.24	2.25	15819	28850
Sep-21	59126.36	3.78	2.36	2.81	143043	463,331
Oct-21	59306.93	3.76	2.81	3.76	8011	26,430
Nov-21	57064.87	3.94	3.94	3.94	1	3
Dec-21	58253.82	3.88	2.91	3.88	25859	82,886
Jan-22	58014.17	4.20	3.69	4.15	40936	169,453
Feb-22	56247.28	4.15	3.76	3.77	8514	34,148
Mar-22	58568.51	3.60	3.26	3.26	1099	3,913

g) Distribution of Shareholding as on March 31, 2022 was as follows:

i. Categories of Shareholders:

Category	No. of shares	% to share capital
Promoters	37646654	72.0508
FIs and Financial Institutions/Banks	968508	1.8536
Private Corporate Bodies	6970539	13.3407
Indian Public	3904977	7.4736
NRIs / HUFs/Clearing Members//Trusts	209322	0.4006
Foreign Corporate bodies/Overseas corporate bodies	2550000	4.8803
<b>Total</b>	<b>52250000</b>	<b>100.00</b>

ii. Distribution of Shareholding

SI NO	Category (Shares)	No.of Holders	% To Holders	No.of Shares	% To Equity
1	1-5000	4561	88.2034	2754720	0.5272
2	5001 - 10000	220	4.2544	1824380	0.3491
3	10001 - 20000	136	2.6300	2137480	0.4090
4	20001 - 30000	49	0.9475	1277920	0.2445
5	30001 - 40000	33	0.6381	1187220	0.2272
6	40001 - 50000	39	0.7542	1832100	0.3506
7	50001 - 100000	62	1.1989	4745640	0.9082
8	100001 and above	71	1.3730	506740540	96.9838
	<b>Total:</b>	<b>5171</b>	<b>100.00</b>	<b>522500000</b>	<b>100.00</b>

(h) Dematerialization of Shares and Liquidity:

To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2022, 99.9% shares were held in dematerialized form.

(i) Registrar to issue and Share Transfer Agents

M/s. Cameo Corporate Services Limited,  
Subramanyam Building No 1,  
Club House Road, Chennai 600 002  
Phone: 91-44-28460390 | Fax: 91-44-28460129  
E-mail: cameo@cameoindia.com

(j) Share Transfer System

The Registrar and Share Transfer Agents, M/s Cameo Corporate Services Limited handles share transfer.

(k) Foreign Exchange Risk and hedging activities

Presently your Company is not exporting any of its products. Hence, foreign exchange risk did not arise during the financial year 2021 - 2022.

(l) Plant locations -The Company do not have any plants.

(m) Address for Correspondence

Picturehouse Media Limited  
Reg. Off.: KRM Centre, 9th Floor, Door No. 2,  
Harrington Road, Chetpet, Chennai - 600031  
Tel: 044 30285570/78; Fax: 044 30285571  
E-mail: ir.telephoto@pvplglobal.com  
Website: www.pvpcinema.com

(n) List of all Credit ratings obtained by the entity- Nil

## Other Disclosures

a) During the year 2021-22, there were no Material Significant Transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. All related party transactions are intended to further the business interests of the Company. The transactions with the related parties are set out in the Notes forming part of the financial statement as at and for the year ended March 31, 2022.

b) Details of Non-Compliance:

- The shares of the company are listed in BSE. The Board had a Woman director till March, 2017 and subsequent to the resignation, a new Woman Director was appointed in December, 2018. SEBI issued a Circular in May 2018, that non-appointment will attract fine. The stock exchange has imposed a penalty of Rs. 7,59,920/- under regulation 17 & 19 of SEBI (LODR) Regulations, 2015. The Company also appealed the same before the Securities and Exchange Board of India dated April 26, 2019, seeking exemption under regulation 102 of LODR Regulation and the same was also rejected. However, the Company has filed an appeal questioning the order and the same was rejected by Securities Appellant Tribunal stating the order was rightly dismissed by SEBI under Regulation 102 of the LODR Regulations.

The Company has received a communication dated 21.02.2022 from BSE Limited (BSE) with respect to Non-Submission under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended 31.12.2021. The company replied to the communication and there is no further communication/information from the exchange on this matter.

Company in due course shall make the payment appropriately and close the matter.

- The stock exchange imposed a fine of Rs.18,880/- including GST for delay in the submission of Statement pertaining to shareholders Complaints for the quarter ended 31st December, 2021, under Regulation 13(3) of SEBI (LODR) Regulations, 2015.
  - Further a fine of Rs.51,920/- including GST was imposed by the BSE for delay in the submission of Shareholding Pattern for the quarter ended 31st December, 2021, under Regulation 31 of SEBI (LODR) Regulations, 2015 and a fine of Rs. 33,040/- (Basic Fine: 28,000/- + GST: 5040/-) was imposed for delay submission of Secretarial Compliance Report for the year ended 31st March, 2021, under Regulation 24A of SEBI (LODR) Regulations, 2015. The Company has requested BSE for the waiver of the said fines.
  - The stock exchange imposed a fine of Rs.1,08,560/- for Non-compliance of Regulation 6(1) with respect to appointment of Company Secretary. The company in its board meeting held on 11.02.2022 was appointed CS Derrin Ann George as the company secretary and compliance officer. Furthermore a request was made to the Stock Exchange for waiver of fine and vide letter dated 20.05.2022 the fine was waived off.
  - The stock exchange imposed a fine of Rs.1,08,560/- for Non compliance of Regulation 7(1) with respect to appointment of Share Transfer Agent. The company replied that there was no change in share transfer agent. Furthermore a request was made to the Stock Exchange for waiver of fine and vide letter dated 20.05.2022 the fine was waived off.
- c) The Whistle blower policy as approved and adopted by the Board of Directors provides adequate safeguards against victimization of employees and provides access to the Audit Committee.
- d) The disclosure of compliances with respect to Corporate Governance requirements as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 is made in the Corporate Governance Report.
- e) The company has complied with all applicable mandatory requirements in terms of Regulations 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.
- f) M/s. Sundaram & Srinivasan, Chartered Accountants are the statutory Auditor of PVP Ventures Limited holding company and Picturehouse Media limited is its subsidiary company. Further, total amount of Rs.42,00,000/- (Net of TDS) was paid to them for both the Companies for the relevant financial year.
- g) The Company has made all disclosures of loans and advances given to corporates in which the directors is interested. The same would part of the related party transaction.
- h) The discretionary requirements as specified in Part E of Schedule II have been adopted to an extent possible by the Company.
- i) A Certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

- j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:  
 Number of complaints filed during the financial year - Nil  
 Number of complaints disposed of during the financial year - Nil  
 Number of complaints pending as on end of the financial year - Nil
- k) The company follows Indian Accounting Standards (Ind-AS) in the preparation of its financial statements.
- l) Disclosure with respect to De-mat suspense account/ unclaimed suspense account – Not applicable
- m) The Policy for determining material subsidiaries is disclosed on the website of the Company <http://www.pvpglobal.com/pdf/PolicyonMaterialSubsidiaries-PVPL.pdf>
- n) The Policy on Related Party Transactions as approved and adopted by the Board of Directors is displayed on the website of the Company at <http://www.pvpcinema.com/pdf/RPTPolicy-PVPL.pdf>
- o) Disclosure of commodity price risks and commodity hedging activities. – Not Applicable.
- p) There were no funds raised through preferential allotments or qualified institutional placements as specified under eg. 32(7A).
- q) During the financial year, the Board have accepted all the recommendations made by the Nomination and Remuneration and Audit Committee.

### Code of Conduct for Directors and Senior Management

As the Managing Director of Picturehouse Media Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2021-22.

Date : May 23, 2022

Place: Chennai

Sd/-  
**Prasad V. Potluri**  
 Managing Director

### MD AND CFO CERTIFICATION

The Managing Director and CFO have given a Certificate to the Board as contemplated in Schedule-V of the listing regulation as below:

The Board of Directors

Picturehouse Media Limited

A. We Prasad V. Potluri, Managing Director and Praveen Kumar Aeloori, Chief Financial Officer of the Company have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended March 2022 of the Company and that to the best of our knowledge and belief:

- (1) these statements does not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the listed entity during the year are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there is no deficiencies in the design or operation of such internal controls, we have disclosed to the auditor and the audit committee deficiencies in the design or operation of such internal controls, if any of which we are aware and the we have taken and we propose to take further steps to rectify these deficiencies.

D. There is no significant changes in internal control over financial reporting, accounting policies or instances of significant fraud during the year March 2022.

**For Picturehouse Media Limited**

Date: May 23, 2022  
 Place: Chennai

Sd/-  
**Prasad V. Potluri**  
 Managing Director

Sd/-  
**Praveen Kumar Aeloori**  
 Chief Financial Officer

# Corporate Governance Certificate

TO  
THE MEMBERS OF  
PICTUREHOUSE MEDIA LIMITED

On account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and we have examined the records of the company shared to us electronically pertaining to the compliance of conditions of Corporate Governance by **PICTUREHOUSE MEDIA LIMITED** ("the Company"), for the year ended on March 31, 2022, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] for the period 1st April, 2021 to 31st March, 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, by the Directors, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except for:

- not submitting the Annual Secretarial Compliance Report to stock exchange within prescribed / extended timelines for the year ended 31.03.2021 as required under Regulation 24A. The Company submitted the same on 14.07.2021.

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

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES

Sd/-  
CS MOHIT KUMAR GOYAL  
PARTNER  
FCS: 9967, CP NO: 12751  
UDIN: F009967D000787392  
PR NO: 699/2020

Date : 12.08.2022  
Place: Hyderabad

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
PICTUREHOUSE MEDIA LIMITED  
KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet,  
Tamil Nadu – 600 031

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PICTUREHOUSE MEDIA LIMITED having CIN: L92191TN2000PLC044077 and having registered office at KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu - 600 031 (hereinafter referred to as 'the Company'), provided to us by the Company electronically due to Covid-19 pandemic for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Prasad Veera Potluri	00179175	04/12/2007
2.	Mr. Narayanaswamy Seshadri Kumar	00552519	27/04/2006
3.	Mr. Sohrab Chinoy Kersasp	03300321	22/03/2019
4.	Ms. Poonamallee Jayavelu Bhavani	08294839	31/07/2020
5.	Mr. Nandakumar Subburaman	00611401	07/11/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES

Sd/-

CS MOHIT KUMAR GOYAL  
PARTNER

FCS: 9967, CP NO: 12751

UDIN: F009967D000787392

PR NO: 699/2020

Date : 12.08.2022

Place: Hyderabad

## Annexure - I

### FORM NO. AOC - 1

**Statement containing salient features of the financial statement of Subsidiaries/associate companies / joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Name of the subsidiary - PVP Cinema Private Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period - NA
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries - NA
4. Share capital - Rs. 3,00,000/-
5. Reserves & surplus - (Rs. 522,88,866/-)
6. Total assets - Rs. 19,583/-
7. Total Liabilities - Rs. 19,583/-
8. Investments - NIL
9. Turnover - NIL
10. Profit before taxation - (Rs. 61,768)
11. Provision for taxation - NIL
12. Profit after taxation - (Rs. 1,14,12,94)
13. Proposed dividend - NIL
14. % Shareholding - 100%

1. Name of the subsidiary - PVP Capital Limited
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period - NA
3. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries - NA
4. Share capital - Rs. 25,00,00,000/-
5. Reserves & surplus - Rs. (2,30,60,73,656)
6. Total assets - Rs. 39,33,02,141/-
7. Total Liabilities - Rs. 39,33,02,141/-
8. Investments - NIL
9. Turnover - NIL
10. Profit before taxation - (Rs. 39,28,48,614)
11. Provision for taxation - NIL
12. Profit after taxation - (Rs. 39,28,48,614)
13. Proposed dividend - NIL
14. % Shareholding - 100%



## Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022***[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,  
**PICTUREHOUSE MEDIA LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PICTUREHOUSE MEDIA LIMITED** (hereinafter called the company) holding CIN: L92191TN2000PLC044077 and having its registered office at KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai, Tamil Nadu – 600 031. Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

On account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us electronically and also the information, confirmations, clarifications 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, 2022, 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, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **(Not applicable to the Company during the period of audit)**;
  - (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the period of audit)**;
  - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **(Not applicable to the Company during the period of audit)**;
  - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the period of audit)**;
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013; - **(Not applicable to the Company during the period of audit)**; and
  - (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other Laws specifically applicable to the company include:
  - i. The Cinematograph Act, 1952
  - ii. The Cinematograph (Certification) Rules, 1983.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

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

- a. *The Company did not submit statement of Investor Complaints as per regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31.12.2021 with the stock exchange within 21 days from the end of the quarter. However, the Company submitted the same on 08.02.2022.*
- b. *The Company did not submit Annual Secretarial Compliance Report as per regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31.03.2021 with the stock exchange within prescribed / extended timelines. The Company submitted the same on 14.07.2021.*
- c. *The Company did not submit Shareholding Pattern as per regulation 31(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31.12.2021 with the stock exchange within 21 days from the end of the quarter. However, the Company submitted the same on 22.02.2022.*
- d. *The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31st March, 2021 as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- e. *The Company did not submit Reconciliation of Share Capital Audit Report as per Regulation 76 of SEBI (Depository Participants) Regulations, 2018 for the quarter ended 31.12.2021 with the stock exchange within 30 days from the end of the quarter. However, the Company submitted the same on 23.02.2022.*
- f. *The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 with the stock exchange within prescribed / extended timelines. However, the Company filed the same on 30.06.2021.*
- g. *The Company did not report the CSR activities in the Annual Report for the year ended 31st March, 2021 in the prescribed format issued by Ministry of Corporate Affairs vide Notification dated 22.01.2021 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.*

**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. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 decisions are carried through while the dissenting member's 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.

**We further report that during the period under review:**

- I. BSE Limited (BSE) has imposed a fine of Rs. 1,08,560/- including GST for Non-Compliance with respect to appointment of qualified Company Secretary as Compliance Officer as per Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the representations made by the Company BSE Limited vide email dated 20.05.2022 has waived-off the fine amount imposed by it.
- II. BSE Limited (BSE) has imposed a fine of Rs. 1,08,560/- including GST for Non-Compliance with respect to appointment of Share transfer agent as per Regulation 7(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the representations made by the Company BSE Limited vide email dated 20.05.2022 has waived-off the fine amount imposed by it.
- III. The Company has received a communication from BSE Limited (BSE) with respect to Non-Submission of Reconciliation of Share Capital Audit Report for the quarter ended 31.12.2021 under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 within the period prescribed. As informed to us the Company has replied to the same and there is no further Communication/Information from the stock exchange on the matter.
- IV. BSE Limited (BSE) has imposed a fine of Rs. 18,880/- including GST for Non-Submission of the statement on shareholder complaints for the quarter ended 31.12.2021 within the period prescribed under Regulation 13(3) of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under any circular issued in respect of redressal of investor grievances. As informed to us the Company has replied to the same and requested the Stock Exchange to waive-off fine imposed by it and there is no further Communication/information from the stock exchange on the matter.

- V. BSE Limited (BSE) has imposed a fine of Rs. 51,920/- including GST for Non-Submission of Shareholding pattern for the quarter ended 31.12.2021 within the period prescribed as per Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed to us the Company has replied to the same and requested the Stock Exchange to waive-off fine imposed by it and there is no further Communication/information from the stock exchange on the matter.
- VI. BSE Limited (BSE) has imposed a fine of Rs. 33,040/- including GST for Non-Compliance with submission of Annual Secretarial Compliance Report for the year ended 31.03.2021 as per Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the period prescribed. As informed to us the Company has replied to the same and requested the Stock Exchange to waive-off fine imposed by it and there is no further Communication/information from the stock exchange on the matter.
- VII. PVP Capital Limited (PVPCL), a wholly owned subsidiary company, has not adhered to repayment schedule of principal and interest due to Canara Bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). 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. PVPCL had applied for One Time Settlement (OTS) with Canara Bank which was finalized on 15.03.2022 for an amount of Rs. 95 crores. The company had made final payment of the OTS amount on 30.06.2022.
- VIII. PVPCL has received Show Cause Notice (SCN) from the Reserve Bank of India (RBI), dated 21.10.2021 stating that the company has not maintained the mandatory amount of Net owned Fund (NOF) of Rs.200 Lakhs and has also not submitted any concrete action plan for achieving the NOF of Rs 2 Crores. The SCN also stated that company has appointed Shri Praveen Kumar Aeloori on 25.09.2019 and Shri Sohrab Chinoy Kersasp on 20.02.2020, as directors without prior approval of the RBI resulting in violation of the Directions of RBI. Due to violations as stated in the said SCN, RBI has informed that Certificate of Registration issued to the company for carrying on NBFC activities may be cancelled and penal action may be initiated against the company and its directors and has advised the company to submit its response.

Company vide its letter dated 09.11.2021 has sought additional time for making reply and vide their letter dated 08.12.2021 requested personal hearing to represent the company's case before RBI. As informed to us there is no further development on this and the company has not received any further communications from the RBI.

**For D.HANUMANTA RAJU & CO**  
**COMPANY SECRETARIES**

**Sd/-**

**CS MOHIT KUMAR GOYAL**  
**PARTNER**

**FCS: 9967, CP NO: 12751**

**UDIN: F009967D000787392**

**PR NO: 699/2020**

**Date : 12.08.2022**

**Place: Hyderabad**

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## **'Annexure A'**

To,

The Members,

**PICTUREHOUSE MEDIA LIMITED**

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For D.HANUMANTA RAJU & CO  
COMPANY SECRETARIES**

**Sd/-  
CS MOHIT KUMAR GOYAL  
PARTNER  
FCS: 9967, CP NO: 12751  
UDIN: F009967D000787392  
PR NO: 699/2020**

**Date : 12.08.2022**

**Place: Hyderabad**

## ANNEXURE - 3

### ANNUAL REPORT ON CSR ACTIVITIES

- A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

This Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Company believes in looking beyond business and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as whole. The Management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company's responsibilities towards the community.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which the company operates.

The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014.

The CSR Policy and the activities undertaken for CSR is available on the Company's website [www.pvpcinema.com](http://www.pvpcinema.com)

- The Composition of the CSR Committee.**

Corporate Social Responsibility Committee	Designation	Number of meetings held during the year	Number of meetings attended during the year
Mr. N. S. Kumar	Chairman (Non-Executive & Independent)	1	1
Mr. Sohrab Chinoy	Member (Non-Executive & Independent)	1	1
Mr. Prasad V. Potluri	Member (Managing Director)	1	1

- Details of the web link where Composition of the CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.**
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Not applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Not applicable**
- Average net profit of the company as per section 135(5) – The company had incurred losses**
- Two percent of average net profit of the company as per section 135(5) - The company had incurred losses**
  - Surplus arising out of the CSR projects or programs or activities of the previous financial years – Nil**
  - Amount required to be set off for the financial year, if any**
  - Total CSR obligation for the financial year (7a+7b-7c) - Rs. 9,00,000**
- CSR Amount spent or unspent for the financial year:**

Total amount spent for the Financial year	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
9,00,000					

# Rs. 9,00,000 pertains to financial year 2015 -2016.

b) Detail of CSR amount spent against ongoing projects for the financial year: No ongoing project was approved during the financial year 2021 – 2022

c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amt spent in the current financial Year (in INR)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contribution towards education	Promoting education	Yes	Andhra Pradesh	Krishna	9,00,000	Directly	NA	NA

d) Amount spent in Administrative Overheads - NA

e) Amount spent on Impact Assessment, if applicable - NA

f) Total amount spent for the Financial Year (8b+8c+8d+8e) - NA

g) Excess amount for set off, if any - Nil

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in INR)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per			Amount remaining to be spent in succeeding financial years (in INR)
				Name of the Fund	Amt	Date of transfer	
	2019 -2021	NA	9,00,000	NA	NA	NA	NA

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) - Nil

10. Detail relating to creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). - No such capital assets were created

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - NA

Place: Chennai  
Date: September 06, 2022

Sd/-  
Prasad V. Potluri  
Managing Director

Sd/-  
NS Kumar  
Committee Chairman

## Annexure - 4

### Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment & Remuneration) of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl. No.	Name of the Director/ KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees	% Increase In Remuneration
1.	Mr.Prasad V. Potluri	Managing Director	Nil	0.00
2.	Mr. Praveen Kumar Aleori	KMP (GM – Finance & Accounts)	Not applicable	0.00
3.	Mr. Saitejalvaturi	KMP (Company Secretary) Resigned w.e.f 14.10.2021	Not Applicable	0.00

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year - NA
3. The percentage increase in the median remuneration of employees in the financial year - NA
4. The number of permanent employees on the rolls of company as on 31st March 2022 is 1.
5. 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-NA

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy.

Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Top 10 employees of the Company based on Remuneration drawn for FY 2021-22:

Sl. No	Name of the Employee	Age	Designation	Educational qualification	Date of Joining	Gross Remuneration paid
1	Praveen Kumar Aeloori	42	GM - Finance & Accounts	MBA - Finance	27-05-2009	18,59,556
2	Saiteja Ivaturi*	29	Company Secretary	CS	31-07-2020	2,40,000

\*Mr. Saitejalvaturi resigned as a company secretary w.e.f 14.10.2021.

#### Miscellaneous details:

- a) The percentage of equity shares held by the employee in the company-NA
  - b) Employee is a relative of any director or manager of the company-NA
2. There are no employees who were in receipt of remuneration in excess of Rs. 1 crore and 2 lakhs who were employed throughout the financial year.
  3. There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of Rs. 8,50,000 per month.

# Standalone Financial Section

## Independent Auditor's Report

To the Members of

Picturehouse Media Limited, Chennai.

Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the Standalone Ind AS financial statements of Picturehouse Media Limited, Chennai ("the Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below including the disclosure of "Material Uncertainty Related to Going Concern", the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2022, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- (i) Attention is invited to note no.43 to the Standalone Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 509.94 lakhs) aggregating to Rs. 1,633.14 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The company's Board is of the view that advances can be realized at the time of release of the movies and accordingly, it is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2022. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Hence we are not in a position to concur with the view of the Board. Consequently, in our opinion loss is understated to the extent of Rs 1633.14 lakhs
- (ii) Attention is invited to note no.44 to the Standalone Financial Statements, in relation to inventory i.e., films production expenses amounting to Rs. 3,861.90 Lakhs, consists of advances granted to artists and co-producers. As represented by the Board the film production is under progress with respect to production of 3 movies costing Rs 1009.78 lakhs. In respect of the balance inventory of Rs 2852.12 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.
- (iii) Attention is invited to note no.45 to the Standalone Financial Statements, in relation to Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL)  
  
The subsidiary's net worth stands at Rs. 23060.73 lakhs (negative) as at 31.03.2022. The possibility of liberal cash flow is dim. The company has also defaulted in repayment of loans from banks. Even statutory dues are not remitted into the Government. PVPCL has not maintained minimum net owned funds as per RBI Regulations. Under these circumstances, regulatory authorities may cancel its registration as non-banking finance company. However, the Board of the Picturehouse Media Limited considers there is no need to provide for impairment in investment made. We do not agree with that view. But it is difficult to assess correctly the extent of erosion and the loss arising therefrom.
- (iv) Attention is invited to note nos. 46 to the Standalone Financial Statements, in relation to preparation of financial results on "Going Concern Basis".

Though the company is advancing for production of movies, it is still incurring losses from operations (negative networth Rs 2032.96). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, and other related factors indicate that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. 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 redetermined.



We are, however, unable to express our view whether the preparation of financial results on a going concern basis is correct or not.

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

### Emphasis of Matter

The reporting company has furnished a financial guarantee of Rs. 10,000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai (PVPCL)

The ultimate parent company of the borrower has also furnished a guarantee of Rs. 10,000 lakhs and also offered a landed property whose market value is approximately Rs. 18000 lakhs. The borrowings outstanding together with interest as on 31st March 2022 is Rs. 23856.85 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for. The wholly owned subsidiary company has proposed to the bank for One time settlement of dues and the same has been accepted and agreed by the bank vide letter dated 15th March 2022, giving an option for one time settlement of Rs 9500 Lakhs before September 14, 2022 as full and final settlement. PVPCL has deposited Rs 900 Lakhs in an earmarked bank account as on date.

Our Opinion is not modified in respect of this matter

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our Report.

### Contingent Liabilities in relation to Service Tax Litigations

Key Audit Matter	How the matter was addressed in our audit
<p>The Company has received certain demand orders and notices relating to service tax matters. The company is contesting these demands (refer note no. 50 to the standalone financial statements).</p> <p>There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants where ever considered necessary.</p> <p>Accordingly, unexpected adverse outcomes may significantly impact the management's reported loss and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>(i) Understanding the current status of the service tax litigations.</li> <li>(ii) Examining recent orders and/or communication received from various service tax authorities and follow up action thereon.</li> <li>(iii) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and</li> <li>(iv) Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on service tax issues.</li> </ul>

As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Standalone Ind AS Financial Statements.

### Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

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

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

in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flows statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the company
- (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above
- (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, during the year, the company has not paid remuneration to director(s). Therefore, the question of remuneration paid to the directors over and above the limits laid down under this section doesn't arise.

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: The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer note no: 57 to the consolidation financial statements.

- i. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its Standalone Ind AS financial statements - refer note 50 to the Standalone Ind AS financial statements;

- ii. the Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. a) The Board has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
b) The Board has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no15 to financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.
- v. The company has not declared any dividend during the year. Hence, reporting with respect to compliance with the provisions of section 123 of the Act does not arise.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.004207S

Sd/-  
**Venkatasubramanian.S**  
Partner

Place : Chennai  
Date : May 23, 2022

Membership Number: 219238  
UDIN:22219238AJKPD18447

## Annexure - A to the Independent Auditor's Report

Annexure 1 referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended March 31, 2022

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The company does not own any intangible assets and hence para 3(i)(a) (B) is not applicable to the company.
- (b) Property, Plant and Equipment are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property and hence paragraph 3(i) (c) of the Order is not applicable to the Company
- (d) The company has not revalued its Property, Plant and Equipment, (including Right of Use assets) during the year. The Company does not own any intangible assets.
- (e) As explained to us by the Management no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) As explained to us by the management, the company is a service company, namely movie production. The movie production/ making of content require various types, qualities of content related consumable and inputs. Due to the multiplicity and complexity of the items, it is not practicable to maintain the quantitative records/ continuous stock register. All the purchases of content related consumable/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.
- b) The company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets and hence reporting under para 3(ii) (b) is not applicable
- (iii) During the year, the company has neither made any investment, nor furnished any guarantee nor provided security nor granted any loan or advances in the nature of loans, secured or unsecured, to companies (other than one wholly owned subsidiary), firms, Limited Liability partnerships or any other parties. During the year the company has made interest free loan without specifying any term or period of repayment to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS.
- (a) During the year the company has made interest free loan to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS
  - (A) - the aggregate amount of interest free loans advanced to the wholly owned subsidiary company during the year is Rs 0.21 lakhs
  - the company has made a provision of Rs 0.21 lakhs during the year and the balance outstanding as at the year end is Nil. The outstanding balance of guarantee furnished on behalf of a wholly owned subsidiary Rs 10000 lakhs. The outstanding value of security offered to lender of a subsidiary as at the year end is Rs 1,123.20 lakhs.
- The company does not have joint venture or an associate.
- (B) During the year, the company has not made any loans or advances and has not furnished guarantees or provided security to any party other than a wholly owned subsidiary. The balance outstanding at the balance sheet date with respect to loans and advances granted to other parties is Rs 1633.14 lakhs (net of provision of Rs 2202.19 lakhs)
- (b) The loan granted during the year as mentioned above is interest free and was fully provided for in the books of the company and hence it is prejudicial to the company's interest.
- (c) The company has treated the interest free loan made to its wholly owned subsidiary as deemed investment as per Ind AS and hence reporting under clauses iii (c), iii (d), iii (e) of para 3 of the Order, does not arise.
- (d) During the year the company has made interest free loan without specifying any term or period of repayment to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS. Aggregate amount of loan granted during the year is Rs 0.21 lakhs and percentage thereof to total loans granted during the year is 100%.
- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 of the companies act with respect to loans granted, investments made, guarantee furnished and security provided, as applicable. In respect of investments made, guarantee furnished and security provided the company has complied with the provisions of Section 186 of the Act. However in respect of loans and advances granted, the company has not charged any interest and hence not in compliance with the provisions of section 186 of the Act.

- (v) The company has not accepted any deposit or amounts deemed to be deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause v of para 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and hence reporting under this clause does not arise.
- (vii)(a) According to the records provided to us, the company is generally regular (other than the dues mentioned below) in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities wherever applicable. The following undisputed amount is outstanding for a period of more than 6 months from the date they became payable

Name of the statute	Nature of Dues	Amount Rs in lakhs	Period to which it relates	Date of payment
Finance Act ,1994	Service Tax	4.69	RCM Payable as on 31.03.2017	Yet to be remitted
Income Tax Act, 1961	Tax deducted at source (TDS)	504.22	April 2016 to August 2021	-do-
Income Tax Act, 1961	Interest on TDS	235.00	April 2016 to March 2021	-do-
Goods and Service Act, 2017	Goods and Services Tax	7.68	April 2019 to August 2021	-do-
Goods and Service Act, 2017	Interest on GST payable	5.96	April 2017 to March 2019	-do-

(b) According to the information and explanation given to us, the dues outstanding with respect to income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and goods and service tax on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount Rs in lakhs	Period to which it relates	Forum where dispute is pending
Finance Act ,1994	Service Tax	1604.76 (including penalty of 802.43)	FY 2011-12 to FY 2014-15	Customs, Excise & Service tax appellate tribunal
Finance Act ,1994	Service Tax	155.42 & penalty of 15.64	FY 2015-16 to FY 2017-18 (till June 2017)	Customs, Excise & Service tax appellate tribunal
Finance Act ,1994	Service Tax	117.58	FY 2015-16	Customs, Excise & Service tax appellate tribunal

- (viii) According to the information and explanations furnished to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) The company has neither defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender .
- (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The company has not availed any term loan and hence reporting under clause (ix) (c) is not applicable .
- (d) The funds raised on short term basis have not been utilized for long term purposes.
- (e) The company has not availed any funds from any entity or person on account of or to meet the obligations of its wholly owned subsidiaries. The company does not have a joint venture or an associate.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have a joint venture or an associate.
- (x) (a) The Company has not raised money by way of public issue offer or further public offer (including debt instruments) and hence the question of utilization of money raised by way of initial public offer does not arise.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under this clause does not arise.
- (xi) (a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.

- (b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.
- (c) According to information furnished to us, the company has not received any whistle-blower complaints during the year.
- (xii) The Company is not a Nidhi Company. Therefore, reporting under paragraph 3(xii) of the Order is not applicable to the Company
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit are considered by us .
- (xv) According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3 (xvi) (a) is not applicable to the company.
- (b) The company has not conducted any non banking financial or housing finance activities. Hence, reporting under this para 3 (xvi) (b) is not applicable to the company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, para 3 (xvi) (c) of the order is not applicable
- (d) In our opinion, the group has more the one core investment company as part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) .There are two core investment companies which are part of the group
- (xvii) The company has not incurred cash loss in the financial year. The company has incurred cash loss of Rs 52.21 lakhs in the preceding financial year .
- (xviii) During the year, there is no resignation of statutory auditors. Accordingly , reporting under this clause 3 (xviii) is not applicable.
- (xix) Based on the information available and explanations furnished to us , in respect of loan availed from one party(balance as at the year end – Rs 689.80 lakhs), there is no fixed due date for repayment within a period of one year from the balance sheet date. In respect of loan availed from another party ( balance as at the year end- Rs 6594.61 lakhs) the company has to repay on or before 31st March 2023 . We have been represented that steps are being taken to extend the tenor of the loan .However report under this clause has to be read along with point no (iv) of "Basis of Qualified Opinion" paragraph regarding Going Concern.
- (xx) (a) The company was not required to spend Corporate Social Responsibility expenditure under section 135 of the Act for the financial year ended March 31, 2022. The company has remitted the unspent amount of Rs 9 lakhs pertaining to the financial year 2015-16, to an educational institution.
- (b) The company was not required to spend under section 135 of the Act for the financial year ended March 31, 2022. Hence reporting under this sub clause does not arise.
- (xxi) Regarding qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, refer Point no 2 under " Report on Other Legal and Regulatory Requirements" in our report of even date on Consolidated Financial Statements.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.0042075

Sd/-  
**Venkatasubramanian.S**  
Partner

Place : Chennai  
Date :May 23, 2022

Membership Number: 219238  
UDIN:22219238AJKPD18447

# **Annexure B to the Independent Auditor's Report on the Standalone Financial Statements**

## **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of Picturehouse Media Limited, Chennai ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

### **Management's Responsibility for Internal Financial Controls with reference to Financial Statements Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)

These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Meaning of Internal Financial Controls Over Financial Reporting

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

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

### **Meaning of Internal Financial Controls with reference to financial statements**

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

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

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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



### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the standalone financial statements as at 31st March, 2022

"The company's internal financial control with regard to assessment of carrying value of loans and advances and inventory as more fully explained in note nos.43 and 44 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".

Attention is also invited to Basis of our Qualified Opinion in our main report.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31st March, 2022, based on internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone financial statements of the company and we have issued a qualified opinion on the standalone financial statements.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.004207S

Sd/-  
**Venkatasubramanian.S**  
Partner

Membership Number: 219238  
UDIN:22219238AJKPD18447

Place : Chennai  
Date : May 23, 2022

# STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(` in Lakhs)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	<b>4a</b>	16.15	25.06
	(b) Right of use assets	<b>4b</b>	27.84	50.62
	(c) Financial Assets			
	(i) Investments	<b>5</b>	2,521.74	2,526.76
	(ii) Other financial assets	<b>6</b>	10.72	10.23
	<b>Total Financial Asset</b>		<b>2,532.45</b>	<b>2,536.99</b>
	(d) Deferred tax assets (net)		-	-
	(e) Other non current assets	<b>7</b>	93.10	93.10
	<b>Total Non Current Assets</b>		<b>2,669.55</b>	<b>2,705.77</b>
<b>(2)</b>	<b>Current assets</b>			
	(a) Inventories	<b>8</b>	3,861.90	4,955.64
	(b) Financial Assets			
	(i) Trade receivables	<b>9</b>	0.95	8.52
	(ii) Cash and cash equivalents	<b>10</b>	3.92	15.78
	(iii) Loans	<b>11</b>	1,123.20	2,593.42
	(iv) Other financial assets	<b>12</b>	509.94	1,336.23
	<b>Total Financial Asset</b>		<b>1,638.01</b>	<b>3,953.95</b>
	(c) Current tax assets	<b>13</b>	55.15	-
	(d) Other current assets	<b>14</b>	63.13	114.08
	<b>Total Current Assets</b>		<b>5,618.19</b>	<b>9,023.67</b>
<b>(3)</b>	<b>Non current assets classified as held for sale</b>			
	<b>Total Assets</b>		<b>8,287.74</b>	<b>11,729.44</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	<b>15</b>	5,225.00	5,225.00
	(b) Other Equity		(7,257.96)	(4,116.19)
	<b>Total Equity</b>		<b>(2,032.96)</b>	<b>1,108.81</b>
<b>B</b>	<b>LIABILITIES</b>			
<b>(1)</b>	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	<b>16</b>	7,284.41	7,138.11
	(ia) Lease liabilities	<b>17</b>	17.81	-
	<b>Total Financial Liabilities</b>		<b>7,302.22</b>	<b>7,138.11</b>
	(b) Provisions	<b>18</b>	6.41	12.82
	(c) Deferred tax liabilities (Net)		-	-
	<b>Total Non Current Liabilities</b>		<b>7,308.63</b>	<b>7,150.93</b>
<b>(2)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	<b>19</b>	-	-
	(ia) Lease liabilities	<b>19</b>	12.46	53.06
	(ii) Trade payables		-	-
	(A) Total Outstanding dues of Micro Enterprises and Small Enterprises	<b>20</b>	6.94	6.94
	(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<b>20</b>	42.22	25.40
	(iii) Other financial liabilities	<b>21</b>	2,092.79	2,617.84
	<b>Total Financial Liabilities</b>		<b>2,154.41</b>	<b>2,703.24</b>
	(b) Other current liabilities	<b>22</b>	857.66	766.46
	<b>Total Current Liabilities</b>		<b>3,012.07</b>	<b>3,469.70</b>
			-	-
	<b>Total Equity and Liabilities</b>		<b>8,287.74</b>	<b>11,729.44</b>

Summary of Significant Accounting Policies

1-3

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : May 23, 2022

Sd/-

**PRASAD V. POTLURI**

Managing Director

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place : Chennai

Date : May 23, 2022

Sd/-

**N.S. KUMAR**

Director

Sd/-

**Derrin Ann George**

Company Secretary

# STANDALONE PROFIT AND LOSS AS AT 31ST MARCH, 2022

(` in Lakhs)

	Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
I.	Revenue from operations	23	805.53	1.43
II.	Other income	24	9.63	137.36
III.	<b>Total Income (I + II)</b>		<b>815.16</b>	<b>138.79</b>
IV.	Expenses:			
	a. Cost of film production expenses	25	260.00	3.03
	b. Purchases of Stock-in-Trade		-	-
	c. Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
	d. Employee benefit expense	26	24.94	31.54
	e. Finance costs	27	137.35	97.05
	f. Depreciation and amortization expense	4a&4b	29.39	33.05
	g. Other expenses	28	92.83	59.38
	<b>Total expenses</b>		<b>544.51</b>	<b>224.05</b>
V.	<b>Profit/(Loss) before exceptional items and tax ( III - IV )</b>		270.65	(85.26)
VI.	Exceptional items	29	3,420.08	-
VII.	<b>Profit/(Loss) before tax (V - VI)</b>		<b>(3,149.43)</b>	<b>(85.26)</b>
VIII.	<b>Tax Expenses</b>			
	(1) Current tax assets		0.20	-
	(2) Deferred Tax (Asset) / Liability		-	-
	(3) Income tax for earlier years		-	-
	<b>Total Tax Expenses</b>		<b>0.20</b>	<b>-</b>
IX.	<b>Profit/(Loss) for the year (VII - VIII)</b>		<b>(3,149.63)</b>	<b>(85.26)</b>
X.	<b>Other Comprehensive Income, net of tax</b>			
	<b>Items that will not be reclassified subsequently to profit and loss</b>		-	-
	Remeasurement of defined benefit obligation		7.86	1.30
	Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
			7.86	1.30
	<b>Items that will be reclassified subsequently to profit and loss</b>		-	-
	<b>Other Comprehensive income, net of tax (X)</b>		<b>7.86</b>	<b>1.30</b>
XI.	<b>Total Comprehensive income for the year (IX + X)</b>		<b>(3,141.77)</b>	<b>(83.96)</b>
XII.	<b>Earnings per equity share of nominal value Rs. 10 each :</b>			
	(1) Basic and diluted (not annualised) (Rs.)		(6.03)	(0.16)

Summary of Significant Accounting Policies

1-3

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : May 23, 2022

Sd/-

**PRASAD V. POTLURI**

Managing Director

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place : Chennai

Date : May 23, 2022

Sd/-

**N.S. KUMAR**

Director

Sd/-

**Derrin Ann George**

Company Secretary

## STANDALONE CASH FLOW STATEMENT AS AT 31ST MARCH, 2022

(` in Lakhs)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before Tax	(3,149.43)	(85.26)
	Adjustments for:		
	Exceptional item	3,420.08	-
	Depreciation and Amortization	29.39	33.05
	(Profit) / Loss on sale of Property, Plant & Equipment	0.08	(2.67)
	Assets written off	2.67	-
	Gain on sale of mutual funds	(0.11)	-
	Fair Value of investments through Profit and Loss	-	(0.26)
	Payable written up	(4.42)	(111.86)
	Provision for expenses no longer required - written up	(1.79)	(18.86)
	Unwinding of Interest income on rental deposits	(0.49)	(2.75)
	Interest receipts	(2.37)	(0.79)
	Provision for Doubtful Advances and Debtors	0.21	0.11
	Provision for employee benefits	(1.44)	(5.83)
	Interest Expenses	46.97	6.26
	<b>Cash Generated Before Working Capital Changes</b>	<b>339.35</b>	<b>(188.86)</b>
	Movement In Working Capital		
	Increase / (Decrease) in Trade Payables	16.82	(11.26)
	Increase / (Decrease) in Other Financial Liabilities	(519.14)	85.83
	Increase / (Decrease) in Other Liabilities	91.20	70.37
	(Increase) / Decrease in Trade Receivables	7.57	12.36
	(Increase) / Decrease in Loans	22.50	114.50
	(Increase) / Decrease in Inventories	(174.16)	(61.21)
	(Increase) / Decrease in Other Financial Assets	11.28	99.72
	(Increase) / Decrease in Other Assets	50.95	(19.42)
	<b>Cash Generated From Operations</b>	<b>(153.63)</b>	<b>102.03</b>
	Direct Taxes Refund	-	393.01
	Direct Taxes Paid	(55.35)	-
	<b>Net Cash Flow From / (Used in) Operating Activities (A)</b>	<b>(208.98)</b>	<b>495.04</b>
<b>B.</b>	<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
	Purchase of PPE, Intangible Assets and Investment Property	-	-
	Repayment/(Advances) made for Film Production	109.96	(262.47)
	Proceeds from sale of Property, Plant & Equipment	-	2.84
	Investments in /advance to subsidiary companies	(0.21)	0.11
	Proceeds from sale of mutual funds	5.14	-
	Interest Income Received	-	-
	<b>Net Cash Flow From / (Used in) Investing Activities (B)</b>	<b>114.89</b>	<b>(259.52)</b>

# STANDALONE CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2022

(` in Lakhs)

	Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>C</b>	<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
	Proceeds from/(to) Short - Term Borrowings (Net)	-	(253.19)
	Payment of lease liabilities (Including interest thereon - C.Y. Rs. 5.14 lakhs & L.Y. Rs. 6.26 lakhs)	(21.82)	(22.90)
	Proceeds from Long Term Borrowings	-	52.73
	Repayment of Long Term Borrowings	104.05	-
	Interest Paid	-	-
	<b>Net Cash Flow From / (Used in) Financing Activities (C)</b>	<b>82.23</b>	<b>(223.36)</b>
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(11.86)	12.16
	Cash and Cash Equivalents at the beginning of the year	15.78	3.62
	Cash and Cash Equivalents at the end of the year	3.92	15.78
	Components of Cash and Cash Equivalents		
	Cash in Hand	0.00	0.60
	Balances with Banks		
	-In Current Accounts	3.92	15.18
	<b>Cash and cash Equivalent</b>	<b>3.92</b>	<b>15.78</b>

## Summary of Significant Accounting Policies

2

### Notes:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.  
Reconciliation between the opening and closing balances in the balance sheet for financial liabilities arising from financing activities:

Particulars	As at 01st April, 2021	Cash Flows	Non-Cash Changes	As at 31st March, 2022
			Book Adjustments	
Long Term Borrowings	7,138.11	104.05	42.25	7,284.41
Other Financial Liabilities	842.71	-	(842.71)	-
<b>Total Financial Liabilities</b>	<b>7,980.82</b>	<b>104.05</b>	<b>(800.46)</b>	<b>7,284.41</b>

The accompanying notes and other explanatory information are an integral part of the Standalone Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place: Chennai

Date : May 23, 2022

For and on behalf of the Board of Directors

Sd/-

**Prasad V. Potluri**

Managing Director

Place: Hyderabad

Date: May 23, 2022

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place: Hyderabad

Date: May 23, 2022

Sd/-

**N S Kumar**

Director

Place: Chennai

Date: May 23, 2022

Sd/-

**Derrin Ann George**

Company Secretary

Place: Chennai

Date: May 23, 2022

## A. Equity Share Capital

(1) Year ended 31st March 2022 (refer Note No.: )

Balance at the beginning of 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the 31st March 2022
5,225.00	-	-	-	5,225.00

(2) Year ended 31st March 2021 (refer Note No.: )

Balance at the beginning of 1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the 31st March 2021
5,225.00	-	-	-	5,225.00

## B. Other Equity

(1) Year ended 31st March 2022 (refer Note No.: )

Particulars	Reserves & Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings		Remeasurements of net defined benefit Liability/ Asset	
				Profit/(Loss) in the statement of Profit or Loss	Defined benefit plan		
Balance at the beginning of 1st April 2021	22.88	182.50	-	(4,345.68)	24.11	-	(4,116.19)
Profit for the year and Other comprehensive income for the year, net of income tax	-	-	-	(3,149.63)		7.86	(3,141.77)
Transfer to retained earnings	-	-	-	-	7.86	(7.86)	-
Balance at the end of 31st March 2022	22.88	182.50	-	(7,495.31)	31.97	-	(7,257.96)

(2) Year ended 31st March 2021 (refer Note No.: )

Particulars	Reserves & Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings			
				Profit/ (Loss) in the statement of Profit or Loss	Defined benefit plan		
Balance at the beginning of 1st April 2021	22.88	182.50	-	(4,260.42)	-	22.81	(4,032.23)
Profit for the year and Other comprehensive income for the year, net of income tax	-	-	-	(85.26)		1.30	(83.96)
Transfer to retained earnings	-	-	-		24.11	(24.11)	-
Balance at the end of 31st March 2022	22.88	182.50	-	(4,345.68)	24.11	-	(4,116.19)

The description of the nature and purpose of each reserve within equity is as follows:

1. Security Premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
2. Retained Earnings : Retained Earnings represent the accumulated losses of the company.
3. Capital Reserve : Capital Reserve represents reserve recognised on amalgamations and arrangements.

The accompanying notes and other explanatory information are an integral part of the Standalone Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Reg No. 004207S

For and on behalf of the Board of Directors

Sd/-  
**Venkatasubramanian.S**  
Partner  
Membership No. 219238

Sd/-  
**Prasad V. Pottluri**  
Managing Director

Sd/-  
**A.Praveen Kumar**  
Chief Financial Officer

Sd/-  
**Derrin Ann George**  
Company Secretary

Place : Chennai  
Date : May 23, 2022

Place : Chennai  
Date : May 23, 2022

# Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

## 1. Corporate Information

The Company was incorporated as Telephoto Entertainment Limited in the state of Tamilnadu in the year 2000. Subsequently the name was changed to Picturehouse Media Limited (PHML) in the year 2011. Picturehouse Media Limited ('the Company') is a public company domiciled in India. The Company's shares are listed on the BSE Limited. The company is principally engaged in the business of Movie Production and related activities. The registered office of the Company is situated at door No: 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031.

The standalone financial statements for the year ended March 31, 2022 (Including comparatives) are duly adopted by the Board of Directors in the meeting held on May 23<sup>rd</sup>, 2022 by video conferencing for consideration and approval by the shareholders.

## 2. Significant Accounting Policies

### Basis of Preparation of Financial Statements

These financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III.

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

Disclosures under Ind AS are made only in respect of material items that will be useful to the users of Financial Statements in making economic decisions.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the company operates.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in Ind AS 1 Presentation of Financial Statements and Schedule III to the Companies Act, 2013.

### Current/ Non Current Classification

An asset is classified as current when

- 1) It is expected to be realized or consumed in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be realized within twelve months after the reporting period; or
- 4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not confirming to the above is classified as non-current.

A liability is classified as current when

- 1) It is expected to be settled in the normal operating cycle of the Company;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be settled within twelve months after the reporting period; or
- 4) The Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

### a) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property,



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to statement of profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### b) Impairment of Property, Plant & Equipment:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### c) Inventor

Inventory consists of investments in films and associated rights, including acquired rights and advances to talent associated with film production, are stated at lower of cost / unamortised cost or realisable value. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors.

The cost of production of feature film will be claimed as a deduction in accordance with Rule 9A of Income Tax Rules, 1962.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### d) Foreign Currency Translation:

#### Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the company are recorded in the functional currency (i.e India Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### Measurement of foreign currency items on reporting date

Foreign currency monetary items of the company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

The Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

### e) Leases

#### The company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### **The company as a Lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease

### **Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights and is amortized over the lease term in accordance with the pattern of benefits provided.

### **f) Financial Instruments**

#### **1) Initial Recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through statement of profit or loss, are added to the fair value on initial recognition.

#### **2) Subsequent Measurement**

##### **i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### **iii) Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

##### **iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost in accordance with Ind AS 27 Separate Financial Statements.

##### **v) Financial Liability**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 3) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or its transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 4) Impairment of Assets

#### Financial Assets (other than at fair value):

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 5) Fair value of Financial Instruments

In determining the fair value of its financial instruments, the company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

#### Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### g) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

### h) Revenue Recognition

The company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e., 01st April 2018).

- 1) Revenue is recognized, net of sales related taxes, when the agreement exists, the fees are fixed or determinable, the product is delivered, or services have been rendered and collectability is reasonably assured. The company considers the terms of each arrangement to determine the appropriate accounting treatment.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Theatrical** - Contracted minimum guarantees are recognized on the theatrical release date. The company's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the company.

**Other rights** - other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date when the rights are made available to the assignee for exploitation.

- 2) Interest income is accrued on time basis, by reference to the principle outstanding and at the effective interest rate applicable.
- 3) Dividend from investments is accounted for as income when the right to receive dividend is established.

### i) **Employee Benefits**

#### **Gratuity**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required by Schedule III to the Companies Act, 2013, the company transfers it immediately to retained earnings.

#### **Compensated Absences**

The company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### **Other Benefit Plans**

Contributions paid/payable under defined contributions plans are recognised in the statement of Profit or Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions.

### j) **Taxes on Income**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### i) **Current Income Tax**

Current Income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### ii) **Deferred Tax Asset / Liability**

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **k) Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### **l) Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares).

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **m) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is given effect to transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### **n) Exceptional Items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **o) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Movie and Related Activities". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

### **p) Indian Accounting Standards / amendments issued but not yet effective**

The Ministry of Corporate Affairs ('MCA') notified amendments to existing standards Ind AS – 16, 37, 41, 101, 103 and 109 under Companies (Indian Accounting Standards) Rules, 2022 on March 2022. These amendments are effective for the financial year beginning from April 01, 2022.

The Company has evaluated these amendments and there are no impacts on its financial statements.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 3. Critical accounting estimates and judgments

The preparation of financial statements requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Accounting for the film content:** Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Company is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to statement of profit and loss as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.
- **Valuation of Investments in / Loans to subsidiaries:** The company has performed valuation for its investments in equity of subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investment in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans thereon. The inputs to these models are taken from observable markets where possible, but where is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note No 4a : Property, Plant and Equipment

Particulars	Plant and Equipments	Computers and Related Assets	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross Block</b>						
Gross Carrying value as on 1st April, 2020	1.22	16.82	18.35	99.35	70.31	206.05
Additions	-	-	-	-	-	-
Disposals	-	-	-	62.77	7.57	70.34
<b>Gross Carrying value as on 31st March, 2021</b>	<b>1.22</b>	<b>16.82</b>	<b>18.35</b>	<b>36.58</b>	<b>62.74</b>	<b>135.71</b>
Additions	-	-	-	-	-	-
Disposals	-	5.38	4.11	9.17	12.09	30.75
<b>Gross Carrying value as on 31st March, 2022</b>	<b>1.22</b>	<b>11.44</b>	<b>14.24</b>	<b>27.41</b>	<b>50.65</b>	<b>104.96</b>
<b>Accumulated Depreciation</b>	(c) Current tax assets					
Accumulated Depreciation as on 1st April, 2020	1.14	14.27	12.42	74.02	65.39	167.24
Depreciation for the year	-	0.12	1.90	11.47	0.09	13.58
Depreciation on disposals	-	-	-	62.77	7.40	70.17
Accumulated Depreciation as on 31st March, 2021	1.14	14.39	14.32	22.72	58.08	110.65
<b>Depreciation for the year</b>	<b>-</b>	<b>0.11</b>	<b>1.74</b>	<b>3.61</b>	<b>0.08</b>	<b>5.54</b>
Depreciation on disposals	-	4.42	3.40	8.46	11.10	27.38
Accumulated depreciation as on 31st March, 2022	1.14	10.08	12.66	17.87	47.06	88.81
<b>Net carrying amount</b>						
<b>As at 31st March, 2021</b>	<b>0.08</b>	<b>2.43</b>	<b>4.03</b>	<b>13.86</b>	<b>4.66</b>	<b>25.06</b>
<b>As at 31st March, 2022</b>	<b>0.08</b>	<b>1.36</b>	<b>1.58</b>	<b>9.54</b>	<b>3.59</b>	<b>16.15</b>
<b>Carrying Value as on 31st March, 2022</b>	<b>0.08</b>	<b>1.39</b>	<b>1.59</b>	<b>9.54</b>	<b>3.60</b>	<b>119.99</b>

Note: During the current year, as well as previous year, Property, plant & equipment has not been revalued.

### Note No 4b : Right of Use assets

Particulars	Building	Total
<b>Gross Block</b>		
Gross Carrying value as on 1st April, 2020	17.12	17.12
Additions	67.64	67.64
Disposals	-	-
<b>Gross Carrying value as on 31st March, 2021</b>	<b>84.76</b>	<b>84.76</b>
Additions	1.07	1.07
Disposals	-	-
<b>Gross Carrying value as on 31st March, 2022</b>	<b>85.83</b>	<b>85.83</b>
<b>Accumulated Depreciation</b>		
Accumulated Depreciation as on 1st April, 2020	14.67	14.67
<b>Depreciation for the year</b>	<b>19.47</b>	<b>19.47</b>
Depreciation on disposals	-	-
Accumulated Depreciation as on 31st March, 2021	34.14	34.14
<b>Depreciation for the year</b>	<b>23.85</b>	<b>23.85</b>
Depreciation on disposals	-	-
Accumulated depreciation as on 31st March, 2022	57.99	57.99
<b>Net carrying amount</b>		
<b>As at 31st March, 2021</b>	<b>50.62</b>	<b>50.62</b>
<b>As at 31st March, 2022</b>	<b>27.84</b>	<b>27.84</b>
<b>As at 31st March, 2022</b>	<b>27.84</b>	<b>27.84</b>



## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note 6 : Financial Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments		
Non Current Investments		
Investments carried at Fair value through Profit or Loss		
a) Investment in equity instruments, Subsidiaries- Unquoted		
PVP Cinema Private Limited, Chennai - 30,000 equity shares (Last year 30,000 nos) of Rs.10/- each [100% Holding].	503.58	503.37
PVP Capital Limited, Chennai - 2,50,00,000 equity shares (Last year 2,50,00,000 nos) of Rs.10/- each [100% Holding]. (Refer note no.30)	2,521.74	2,521.74
	3,025.32	3,025.11
Less: Provision for diminution in value of investment in a subsidiary viz. PVP Cinema Private Limited, Chennai	(503.58)	(503.37)
	2,521.74	2,521.74
Investments carried at Fair value through Profit or Loss		
b) Investment in Units of Mutual Fund		
Canara Robeco Saving Fund - Regular Growth (FRGP) (Last year 15,176.50 units)	-	5.02
	-	5.02
	2,521.74	2,526.76

Movement in investments as at 31st March 2022	Investment as at 1st April, 2021	Fair value of Interest free loan	Investment as at 31st Mar, 2022
PVP Cinema Private Limited, Chennai	503.37	0.21	503.58
PVP Capital Limited, Chennai	2521.74	-	2,521.74
<b>Total</b>	<b>3,025.11</b>	<b>0.21</b>	<b>3,025.32</b>
Movement in investments as at 31st March 2021	Investment as at 1st April, 2020	Fair value of Interest free loan	Investment as at 31st Mar, 2021
PVP Cinema Private Limited, Chennai	503.37	-	503.37
PVP Capital Limited, Chennai	2521.74	-	2,521.74
<b>Total</b>	<b>3,025.11</b>	<b>-</b>	<b>3,025.11</b>
Disclosure pursuant to section 186(4) of Companies Act, 2013:			
The amount was advanced to the wholly owned subsidiary to meet the expenditure related to business.			
Aggregate of Non Current Investments			
Aggregate amount of quoted investments (Last year market value - Rs 5.02 lakhs)		-	5.02
Aggregate amount of unquoted investments		3,025.32	3,025.11
Aggregate amount of impairment in value of investments		(503.58)	(503.37)
		2,521.74	2,526.76

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note 6 : Other Financial assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security Deposits - (Rental Deposits)	10.72	10.23
	<b>10.72</b>	<b>10.23</b>

### Note 7 : Other Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current		
Tax Deducted at Source(TDS) Receivable	5.61	5.61
Taxes Paid Under protest (refer note no.xx)	87.49	87.49
	<b>93.10</b>	<b>93.10</b>

### Note 8 : Inventories

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Film Production -in- progress (refer note no.xx)	3,861.90	4,955.64
(Valued at lower of cost or net realisable value - as certified by management)		
	3,861.90	4,955.64

### Note 9 : Trade Receivables

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Unsecured - Considered Good	0.95	8.52
Credit Impaired	565.30	566.78
Sub-total	566.25	575.30
Less: Allowance for doubtful debts (Expected credit loss allowance)*	(565.30)	(566.78)
	0.95	8.52
Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	566.78	567.09
Amount written off	-	-
Credit loss allowance	(1.48)	(0.31)
Closing balance	565.30	566.78

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Trade receivables ageing :

#### (a) Trade payables ageing - As on 31st March 2022

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	8.52	-	-	8.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>8.52</b>	-	-	<b>8.52</b>

#### (b) Trade payables ageing - As on 31st March 2021

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	0.95	-	-	-	-	0.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>0.95</b>	-	-	-	-	<b>0.95</b>

Outstanding for following periods from due date of payment		
Undisputed - Considered good		
Less than 6 months	0.95	-
1 - 2 years	-	8.52
	<b>0.95</b>	<b>8.52</b>

### Note 10 : Cash and Cash Equivalents

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks		
In Current Accounts	3.92	15.18
Cash on hand	0.00	0.60
	<b>3.92</b>	<b>15.78</b>

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note 12 : Loans

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
<b>Secured - Considered Good</b>		
Advance for Film Production (refer note no.xx)*	2,460.96	2,570.92
Less: Allowance for bad and doubtful advances	(1,337.76)	-
<b>Unsecured - Considered Good</b>		
<b>Advances for Staff</b>	-	22.50
Loans receivables - credit Impaired		
<b>Advances for Others</b>	50.00	50.31
Less: Provision for Doubtful Advances	(50.00)	(50.31)

### Note 13 : Other Financial Assets - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued on		
- Staff advance(s)	-	11.86
- Advance for film production (refer note no.xx)*	1,324.37	1,324.37
Less: Allowance for interest accrued	(814.43)	-

### Note 13 : Current Tax Asset

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Tax deducted at source Receivable (Net of tax)	55.15	-
	55.15	-

### Note 14 : Other Current Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Prepaid expenses	0.27	1.34
(b) Balance with Government Authorities		
Goods and Services Tax	62.86	112.74
	63.13	114.08

### Note.15A : Equity Share Capital

#### (a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised Share Capital</b>		
8,00,00,000 Equity Shares of Rs. 10/- each	8,000.00	8,000.00
<b>Issued, Subscribed and Paid Up</b>		
5,22,50,000 equity shares of Rs. 10 each	5,225.00	5,225.00
	5,225.00	5,225.00

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### (b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,58,89,405 equity shares (as at 31st March 2021 - 2,58,89,405 equity shares) in the Company.

### (c) Shares in the company held by each shareholder holding more than 5%:

Name of shareholder	As at 31st March, 2022		As at 31st March 2021	
	No. of shares	% held	No. of shares	% held
PVP Ventures Limited, Chennai *	23,53,114	4.50%	23,53,114	4.50%
Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	1,17,57,249	22.50%
Rayudu Media Projects Private Limited, Hyderabad	45,06,490	8.62%	45,06,490	8.62%
PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	1,12,36,641	21.51%
PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	1,22,99,650	23.54%

\* PVP Ventures Limited had pledged 10,00,000 nos. of equity shares of Rs. 10/- each with UCO Bank, Hyderabad to facilitate availing loan by one of its subsidiary companies. During the financial year 2018-19, the lender bank invoked 10,00,000 pledged shares and sold 9,234 nos. equity shares and in financial year 2019-20, it further sold 22,286 nos. equity shares. During the previous financial year viz. 2020-21, the subsidiary company repaid the loan amount under one time settlement scheme. The remaining shares (viz. 9,68,480 nos.) of the company held by PVP Ventures Limited is yet to be transferred, pending receipt of documents from the lender bank.

### (d) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2022		As at 31st March 2021	
	No. of shares	Amount	No. of shares	Amount
Number of equity shares outstanding at the beginning of the year	5,22,50,000	5,225.00	5,22,50,000	5,225.00
Add: Number of Shares allotted during the year	-	-	-	-
Less: Number of Shares bought back	-	-	-	-
<b>Number of equity shares outstanding at the end of the year</b>	<b>5,22,50,000</b>	<b>5,225.00</b>	<b>5,22,50,000</b>	<b>5,225.00</b>

### (e) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

(f) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2022).

(g) The Company does not issued any shares under options.

(h) Shares held by promoters at the end of the year: 31st March 2022

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1. PVP Ventures Limited, Chennai	23,53,114	4.50%	-
2. Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	-
3. PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	-
4. PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	-

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

(i) Shares held by promoters at the end of the year: 31st March 2021

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1. PVP Ventures Limited, Chennai	23,53,114	4.50%	-
2. Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	-
3. PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	-
4. PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	-

### Note 16 : Financial Liabilities (Non - Current)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (Unsecured) - From Company		
- Related party (refer note no.xx)	689.80	106.00
- Others	6,594.61	7,032.11
	7,284.41	7,138.11
<p>1.The company has availed a loan from a related party which is repayable at the time of release of movies and interest rate is charged at 12% p.a.</p> <p>2.The company has availed a loan from a Company which is repayable based on the availability of funds and interest rate is charged at 12% p.a on daily average balances. However, the lender has waived off the interest for the financial year 2020-2021 and 2021-22.</p> <p>The above loans were applied for the purpose for which they were availed.</p> <p>The principal repayment and interest due for the year has been paid on the due date, wherever due.</p>		

### Note 17 : Lease liabilities - Non Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability (refer note no.xx)	17.81	-
	17.81	-

### Note 18 : Provisions (Non - Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employee benefits - Gratuity	6.41	12.82
	6.41	12.82

### Note 19 : Financial Liabilities (Current)

Particulars	As at 31st March 2021	As at 31st March 2020
Lease Liability (refer note no.xx)	12.46	53.06
	12.46	53.06

### Note 20 : Trade Payables (Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
For services (refer note no.36)	49.16	32.34
	49.16	32.34

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Trade receivables ageing :

#### (a) Trade payables ageing - As on 31st March 2022

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	6.94	-	-	6.94
ii. Others	-	36.06	6.16	-	-	42.22
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>36.06</b>	<b>13.10</b>	-	-	<b>49.16</b>

#### (a) Trade payables ageing - As on 31st March 2021

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	6.94	-	-	-	6.94
ii. Others	-	11.05	14.35	-	-	25.40
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	<b>17.99</b>	<b>14.35</b>	-	-	<b>32.34</b>

### Note 21 : Other Financial Liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued and due on borrowings#	-	842.71
Other payables to a subsidiary company* (refer note no.)	2,092.79	1,775.13
	2,092.79	2,617.84

# includes interest payable to a Related party amounting to Rs. Nil (net of TDS) (last year - Rs 0.97 lakhs)

\* The subsidiary company has assigned the debts to the company, which is repayable on demand.

### Note 22 : Other Financial Liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues	850.06	758.86
Penalty to a stock exchange	7.60	7.60
	857.66	766.46

### Note 23 : Revenue from Operations

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Revenue from distribution and exhibition of film and other rights	805.53	1.43
	805.53	1.43

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note 24 : Other Income

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest on Income Tax Refund	0.45	-
Payable written up	4.42	111.86
Profit on Sale of Asset	-	2.84
Interest on Advances to Staff	2.37	0.79
Provision no longer required written back	1.79	18.86
Fair value of units in mutual fund	-	0.26
Gain on sale of mutual funds	0.11	-
Unwinding of Interest income on rental deposits	0.49	2.75
	<b>9.63</b>	<b>137.36</b>

### Note 25 : Cost of Film Production Expenses

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Film Production Expenses	4,955.64	4,894.43
Less: Inventory Written off during the year	(1,267.90)	-
Sub-total	3,687.74	4,894.43
Add: Current year Film Production Expenses	434.16	64.24
Sub-total	4,121.90	4,958.67
Less: Closing Stock of film under production	3,861.90	4,955.64
	<b>260.00</b>	<b>3.03</b>

### Note 26 : Employee Benefit Expenses

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	23.49	29.16
Gratuity (Refer note no. xx)	1.45	2.04
Contribution to provident fund and other funds	-	0.20
Welfare expenses	-	0.14
	<b>24.94</b>	<b>31.54</b>

### Note 27 : Finance Cost

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest on unsecured loans	41.83	-
Interest on lease liability	5.14	6.26
Interest others	90.38	90.79
	<b>137.35</b>	<b>97.05</b>



## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

### Note 28 : Finance Cost

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Rent	-	0.41
Insurance	0.55	1.35
Power and Fuel	5.24	3.87
Printing and Stationery	0.46	0.55
Communication Expenses	0.68	1.31
Repairs and Maintenance		
- Vehicles	-	-
- Others	3.40	3.09
Corporate Social Responsibility expenses	9.00	-
Rates and taxes	1.86	2.71
Payments to auditors	-	
for statutory audit	7.50	7.50
for reimbursement of expenditure	-	0.15
for certification charges	-	2.00
Directors Sitting Fees	4.15	4.25
Legal, Professional and consultancy	7.28	8.71
Membership Fee	0.09	0.08
Office Maintenance	3.15	3.84
Advertisement, publicity and sales promotion	38.29	2.54
Bank Charges	0.30	0.04
Investor related expenses including Listing Fees	6.03	6.67
Penalty	0.51	7.60
Travel Expenses including Conveyance	1.38	2.43
Loss on sale of asset	0.08	0.17
Assets written off	2.67	-
Provision for Doubtful Advances and Debts	0.21	0.11
	<b>92.83</b>	<b>59.38</b>

### Note 29 : Exceptional items

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Inventory Written Off	1,267.90	-
Provision for Doubtful Advances and Debts	2,152.18	-
	<b>3,420.08</b>	-

- 30 No proceedings have been initiated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.
- 31 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- 32 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2022

- 33 The Company has not operated in any crypto currency or Virtual Currency transactions.
- 34 The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (as per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments other than the deemed investments in the subsidiaries.
- 35 There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31-03-2022.
- 36 During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- 37 The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- 38 No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

### Note 39

S.N.	Ratios	31-Mar-22	31-Mar-21
1	Current ratio (Current Assets/Current Liabilities)	1.87	2.60
2	Debt-equity ratio (Gross total borrowings/Equity share capital + Other equity)	-3.58	6.44
3	Debt service coverage ratio (Profit before tax, exceptional items, Depreciation and Net Finance Charges/ Net Finance charges + Long term borrowings scheduled principal repayments)	-22.20	0.44
4	Return on equity ratio (Net profit after tax/Average Shareholders equity)	682%	-8%
5	Inventory turnover ratio (Cost of goods sold/Average inventory)	0.06	0.00
6	Trade Receivables turnover ratio (Net sales/Average Trade receivables)	170.17	0.10
7	Trade payables turnover ratio (Net purchases/Average Trade payables)	-	-
8	Net capital turnover ratio (Net sales/Working capital)	31%	0%
9	Net profit ratio (Net profit/Sales)	-391%	-5962%
10	Return on Capital employed (Profit before Interest and Tax/Capital employed)	-125%	0%

### NOTES TO ACCOUNTS

40. The current assets of the company include loans and advances amounting to Rs.1,633.14 lakhs (including interest amount of Rs. 509.94 lakhs). The Board is confident of realizing the value at which they are carried notwithstanding the period of outstanding. The Board does not foresee any erosion in carrying value.
41. Film production-in-progress amounting to Rs. 3,861.90 lakhs mainly comprises of advance 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 realizing the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value.
42. 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.23,856.85 lakhs (including interest accrued) as per the books of accounts as on 31st March 2022. 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 the same was agreed by the bank vide letter dated March 15, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs and the balance of Rs 8,600 lakhs has to be remitted by September 14, 2022.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Further, the company had received communication letter from the Reserve Bank of India (RBI) letter dated 4th February 2021, 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 2021, 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 investment 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 additional cash flows will meet its obligations.

43. As on 31st March 2022, the company has a negative net worth of Rs. 2,032.96 Lakhs. Eventhough, the company is incurring continuous losses, it has 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 intends 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 pipeline and risk mitigating factors.
44. **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 COVID-19 situation.
45. **Leases:**
- a) Effective 01st April 2019, the company had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on 01st April 2019 using the modified retrospective approach.
- b) **Details of the Right to use of Asset held by the company as follows:**

Particulars	Building (Rs. in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>2.45</b>
Addition	67.64
Deletion	-
Depreciation	19.47
<b>Balance as at 31st March, 2021</b>	<b>50.62</b>
Particulars	Building (Rs. in Lakhs)
Addition	1.07
Deletion	-
Depreciation	23.85
<b>Balance as at 31st March, 2022</b>	<b>27.84</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### c) Movement in Lease liability

Particulars	Building (Rs. in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>4.81</b>
Addition	67.64
Finance Cost Accrued	6.26
Payment of Lease Liability	25.65
<b>Balance as at 31st March, 2021</b>	<b>53.06</b>
Addition	1.07
Finance Cost Accrued	5.14
Payment of Lease Liability	29.00
<b>Balance as at 31st March, 2022</b>	<b>30.27</b>

Particulars	As at 31-03-2022	As at 31-03-2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	12.46	53.06
Later than one year and not more than five years	17.81	-
More than five years	-	-
<b>Total undiscounted liabilities</b>	<b>30.27</b>	<b>53.06</b>

### d) Breakup of Current and Non-current lease liabilities

Particulars	Amount (Rs. in lakhs)
Non-Current Liability	17.81
Current Liability	12.46

e) Incremental borrowing rate applied to lease liabilities is 12% p.a.

f) The expenses relating to short term leases accounted and leases of low value assets during the year is NIL.

g) The company has accounted Rs. 5.14 Lakhs as Finance Cost and Rs. 23.85 Lakhs as depreciation as per Ind AS 116.

h) Non cash financing and investing activities.

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Non cash financing and investing activities	1.07	67.64
- Acquisition of Right-of-use Asset		

**46. Micro, Small and Medium Enterprises (MSME):** The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence the required disclosures such as amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been furnished.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 47. Contingent Liabilities:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Claims against the company not acknowledged as debts		
- Service Tax	12.46	53.06
- Non-Compliance of SEBI Regulations	17.81	-
- Others	-	-
<b>Total</b>	<b>1,893.40</b>	<b>1,893.40</b>

### 48. Corporate Social Responsibility (CSR):

Gross amount required to be spent during the year is Nil. (Last year Nil).

Average Net Profits of the Company for the last three financial years is negative. Hence the provisions of Section 135 of the Act are not applicable for the year ended 31st March 2022.

The company had spent Rs 9 lakhs pertaining to the financial year 2016-17 during the current financial year.

### 49. Earnings per Share (EPS)

Particulars	Refer	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit / (loss) after Tax (Rs. in Lakhs)	A	(3149.63)	(85.26)
Number of Equity shares outstanding	B	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding (Numbers)	C	5,22,50,000	5,22,50,000
Earnings Per Share – Basic & diluted (in Rs.)	AC	(6.03)	(0.16)

### 50. Disclosure in Accordance with Ind As -24 - Related Party Transactions

#### a) List of Related parties where control exists:

Name of the Related Party	Nature of Relationship
PVP Ventures Limited, Chennai (PVP)	Holding Company
PVP Cinema Private Limited, Chennai (PCPL)	Wholly Owned Subsidiary Companies
PVP Capital Limited, Chennai (PCL)	

#### b) List of other related parties

Name of the person/ company	Nature of Relationship
Mr. Prasad V. Potluri, Managing Director	Key Managerial Persons
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key managerial person
PV Potluri Ventures LLP, Vijayawada	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Vijayawada	A Private Company in which a director's relative is a member or director

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### b) List of other related parties

Name of the person/ company	Nature of Relationship
Mr. Prasad V.Potluri, Managing Director	Key Managerial Persons
Mr. N S Kumar, Independent Director	
Mr. Sohrab ChinoyKersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key managerial person
PV Potluri Ventures LLP, Vijayawada	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Vijayawada	A Private Company in which a director's relative is a member or director

### c) Summary of transactions with related parties for the year ended 31st March 2022 (Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Interest Expenses</b>		
BVR Malls Private Limited, Vijayawada	41.83	1.15
<b>Provision for Doubtful advances debited to P&amp;L</b>		
PVP Cinema Private Limited, Chennai	0.21	0.11
<b>Sundry creditors written off</b>		
PV Potluri Ventures LLP, Vijayawada	-	2.90
<b>Sitting Fees paid to Directors</b>		
Mr. N S Kumar	1.30	1.30
Mrs. P J Bhavani	0.65	0.90
Mr. Sohrab K Chinoy	1.30	1.30
Mr. Nanda Kumar S	0.90	0.75
<b>Loans and advances repaid/(received)</b>		
PVP Cinema Private Limited, Chennai	0.21	0.11
PV Potluri Ventures LLP, Vijayawada	-	175.00
BVR Malls Private Limited, Vijayawada	(545.18)	(106.00)
PVP Capital Limited, Chennai	(317.66)	14.82

### d) Summary of Outstanding balances with the related parties as on 31st March 2022 (Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Investments in subsidiaries</b>		
PVP Capital Limited, Chennai	2,521.74	2,521.74
PVP Cinema Private Limited, Chennai	3.00	3.00
<b>Provision for investment in subsidiary</b>		
PVP Cinema Private Limited, Chennai	3.00	3.00
<b>Loans and advances granted to subsidiary</b>		
PVP Cinema Private Limited, Chennai	500.58	500.37
<b>Provision for advances granted to subsidiary</b>		
PVP Cinema Private Limited, Chennai	500.58	500.37
<b>Loans and advances payable to Others</b>		

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
BVR Malls Private Limited, Vijayawada	689.80	106.97
<b>Other payables to subsidiary</b>		
PVP Capital Limited, Chennai	2,092.79	1,775.13
<b>Corporate Guarantees given/(received)</b>		
PVP Capital Limited, Chennai	10,000.00	10,000.00
<b>Sitting fees payable</b>		
Mr. N S Kumar	0.50	-
Mrs. P J Bhavani	0.82	0.46
Mr. Sohrab K Chinoy	0.50	-
Mr. Nanda Kumar S	0.41	-

### e) List of Related Parties as per Companies Act, 2013

Name of the person/ company	Nature of Relationship
Mr. A Praveen Kumar, Chief Financial Officer	Key Managerial Persons
Ms. Derrin Ann George, Company Secretary	

### f) Remuneration paid to Key Management Personnel

(Rs. in lakhs)

Transaction	Year Ended 31st March 2022	Year Ended 31st March 2021
Remuneration	20.99	19.07

## 51. Deferred Tax

### a) Deferred Tax asset has not been recognized in respect of the following items:

Particulars	31st March, 2022		31st March, 2021	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	4,956.46	12.72	2,792.92	726.16
Tax losses	2,417.79	628.62	2,417.79	628.62
Effect of expenses not allowed for tax in the previous year	102.64	26.69	88.30	22.96
<b>Total</b>	<b>7,476.89</b>	<b>1,943.99</b>	<b>5,299.01</b>	<b>1,377.74</b>

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2022.

### b) Income tax expenses

Income tax expense in the statement of profit and loss comprises:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current tax	0.20	-
Deferred tax	-	-
Income tax expenses	0.20	-

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Profit /(loss) from the operation before income tax expenditure	(3,149.43)	(85.26)
Indian tax rate is 26%	26.00%	26.00%
Tax at statutory Income Tax Rate	(818.85)	(22.17)
<b>Adjustments:</b>		
Effect of expenses not allowed for tax purposes	26.69	0.08
Effect of unrecognised deferred tax assets	791.97	22.09
Net tax expenses recognised in Statement of Profit and Loss	0.20	-

### 52. Employee Benefits

#### a) Defined Benefit Plan

(Rs. in lakhs)

Gratuity Plan	For the year ended 31st March 2022	For the year ended 31st March, 2021
Defined benefit obligation (DBO)	(6.41)	(12.82)
Fair value of plan assets (FVA)	-	-
<b>Net defined benefit asset/(liability)</b>	<b>(6.41)</b>	<b>(12.82)</b>

The following table summarizes the components of net benefit expense recognised in the statement of profit or loss/Other Comprehensive Income and amounts recognised in the balance sheet for defined benefit plans/obligations:

#### Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March, 2022

(Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
Current Service Cost	0.57	1.22
Net Interest Cost	0.87	0.82
<b>Total</b>	<b>1.44</b>	<b>2.04</b>

#### Amount recognized in Other Comprehensive Income for the year ended 31st March 2022

(Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
Actuarial (gain) / loss on obligations	(7.86)	(1.30)



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Changes in the present value of the defined benefit obligation for the year ended 31st March 2022 are as follows:

(Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
<b>Opening defined obligation</b>	<b>12.82</b>	<b>12.08</b>
Current service cost	0.57	1.22
Interest cost on the Defined Benefit Obligation	0.87	0.82
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - Financial assumptions	(7.86)	(1.30)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation</b>	<b>6.41</b>	<b>12.82</b>

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31st March, 2022	31st March, 2021
Discount rate (in %)	7.14%	6.80%
Salary Escalation (in %)	7.50%	7.50%

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31st March, 2022		31st March, 2022	
<b>Defined Benefit Obligation (Base)</b>	<b>6.41</b>		<b>12.82</b>	
<b>(%change compared to base due to sensitivity)</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount Rate (- / + 1%)	6.96	5.92	13.66	12.07
Salary Growth Rate (- / + 1%)	5.55	7.39	11.39	14.50
Attrition Rate (- / + 1%)	6.10	6.75	12.27	13.32
Mortality Rate (- / + 1%)	6.40	6.42	12.80	12.83

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31st March, 2022	31st March, 2021
Within the next 12 months (next annual reporting period)	0.62	1.24

### Compensated Absences

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### b) Defined Contribution Plan"

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognised Rs. Nil Lakhs (Previous Year Rs 0.20 Lakhs) for provident fund contribution in the statement of profit or loss account.

### 53. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note no.2(f).

#### Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2022 were as follows:  
(Rs. in lakhs)

Particulars	Amount as on 31st March, 2022	Amount as on 31st March, 2021
<b>Financial assets:</b>		
<b>Fair through Profit or Loss</b>		
- Investments in Mutual Funds	-	5.02
<b>Amortised Cost</b>		
- Bank balances other than cash and cash equivalents	3.92	15.18
- Trade Receivables	0.95	8.52
- Loans	1,123.20	2,603.65
- Other Financial Assets	520.66	1,336.23
<b>Particulars</b>	<b>Amount as on 31st March, 2022</b>	<b>Amount as on 31st March, 2021</b>
<b>Financial assets:</b>		
<b>Fair through Profit or Loss</b>		
- Borrowings	7,284.41	7,138.11
- Trade Payables	49.16	32.34
- Lease Liabilities	30.27	53.06
- Other Financial Liabilities	2,092.79	2,617.84

Investment in Equity Instruments are carried at cost and hence not considered.

The carrying value of the company's financial assets and liabilities is considered approximate to their fair value at each reporting date.

### 54. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The financial instruments affected by market risk includes investment, has been discussed below.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

Long term Borrowings of the company bear fixed interest rate, thus interest rate risk is limited for the company.

### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's transactions denominated in foreign currency including loans to overseas subsidiaries and trade payables is expected to be insignificant.

### c) Equity price risk

The company's non-listed equity securities are not susceptible to market price risk arising from uncertainties about future values of the investment securities. Hence the company does not bear significant exposure to Equity price risk in investment in subsidiaries.

## ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

### a) Credit risk related to Financial Loans:

The company has a comprehensive framework for monitoring credit quality of its film production based on the status of the film production. Repayment by film producers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

The company is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the company's financial results. The company attempts to mitigate credit risk by assessing the creditworthiness of customers and closely monitoring payment history.

### b) Credit risk related to corporate guarantee furnished:

The company has furnished a corporate guarantee of Rs. 10000 Lakhs to a bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai. The ultimate parent company viz. PVP Ventures Limited, Chennai, of the borrower has also furnished a guarantee of Rs. 10000 Lakhs and also offered a land property whose market value is approximately Rs. 18000 Lakhs. The borrowings outstanding together with interest is Rs. 23,856.85 Lakhs. PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to banks consequent to which the banks have filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). The Bank has issued E-auction sale notice for sale of immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). 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 with the bank, which is under process. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

### c) Trade receivables:

The company from time to time will have significant concentration of credit risk in relation to individual theatrical releases and digital rights. The risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content.

As on 31st March, 2022, outstanding receivables amounting to Rs.0.95 Lakhs (previous year – Rs. 8.52 lakhs). During the year, the company has not accounted for any provision for doubtful debts against debtors.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### ii) Credit risk

### iii) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's management is responsible for liquidity, funding as well as settlement management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of Financial Liabilities: (Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	Total
As at 31st March 2022				
Borrowings	-	-	7,284.41	7,284.41
Trade payables	-	36.06	13.10	49.16
Lease liabilities	-	12.46	17.81	30.27
Other Financial Liabilities	2,092.79	-	-	2,092.79
<b>Total</b>	<b>2,092.79</b>	<b>48.52</b>	<b>7,315.32</b>	<b>9,456.63</b>

Particulars	On demand	Less than 1 year	1-5 years	Total
As at 31st March 2021				
Borrowings	-	-	7,138.11	7,138.11
Trade payables	-	17.99	14.35	32.34
Lease liabilities	-	53.06	-	53.06
Other Financial Liabilities	1,775.13	842.71	-	2,617.84
<b>Total</b>	<b>1,775.13</b>	<b>913.76</b>	<b>7,152.46</b>	<b>9,841.35</b>

## 55. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Company monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings	7,284.41	7,138.11
Cash and Cash Equivalents	0.00	(0.60)
Bank Balances other than Cash and Cash Equivalents	(3.92)	(15.18)
<b>Net Debt</b>	<b>7,280.49</b>	<b>7,122.33</b>
Equity Share Capital	5,225.00	5,225.00
Other Equity	(7,257.96)	(4,116.19)
<b>Total Equity</b>	<b>(2,032.96)</b>	<b>1,108.81</b>
<b>Debt Equity Ratio</b>	<b>(3.58)</b>	<b>6.42</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

56. 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.
57. Estimated amounts of contracts remaining to be executed on capital account and not provided for is Nil (last year – Nil).

### 58. Previous year figures:

The previous year figures have been regrouped in accordance with amendment to Schedule III vide notification no. F. No. 17/62/2015-CL-V Vol-I dated March 24, 2021 issued by the Ministry of Corporate Affairs, wherever required.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place: Chennai

Date :

**For and on behalf of the Board of Directors**

Sd/-

**Prasad V. Potluri**

Managing Director

(DIN : 00179175)

Place: Hyderabad

Date: June 22, 2021

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place: Hyderabad

Date:

Sd/-

**N S Kumar**

Director

(DIN : 00552519)

Place: Chennai

Date: June 22, 2021

Sd/-

**Derrin Ann George**

Company Secretary

Place: Chennai

Date:

# Consolidated Financial Section

## Independent Auditor's Report

To the Members of

Picturehouse Media Limited, Chennai

Report on the Audit of Consolidated Financial Statements

### Qualified Opinion

We have audited the Consolidated Financial Statements of **Picturehouse Media Limited** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2022, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs below including the disclosure of "Material Uncertainty Related to Going Concern", the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2022, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended 31st March, 2022.

### Basis for Qualified Opinion

1. Attention is invited to note no.46 to the Consolidated Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 509.94 lakhs) amounting to Rs. 1633.14 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The holding company's Board is of the view that 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 are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2022. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Consequently, we were unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2022 is understated.

2. Attention is invited to note no.47 to the Statement, in relation to inventory i.e. films production expenses amounting to Rs. 3861.90 lakhs, consists of advances granted to artists and co-producers. As represented by the management the film production is under progress with respect to production of three movies costing Rs. 1009.78 lakhs. In respect of the balance inventory of Rs. 2852.12 lakhs, the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.

3. Attention is invited to note no. 50 to the consolidated financial statements, in relation to preparation of consolidated financial statements on "Going Concern Basis".

While the net worth has completely eroded and the Group not carrying major business activity and the Group incurring continuous losses from business operations, existence of adverse key financial ratios, non-payment of statutory dues and other related factors indicate that there exists material uncertainty that will cast significant doubt on the Group's ability to continue as a going concern.

Therefore, we opine that Group may not be able to realize its assets and discharge its liabilities in the normal course of business. Notwithstanding this, the financial statements have been prepared as that of going concern and consequently the fair value of various assets and liabilities have not been re-determined, and we are therefore unable to express our view whether the preparation of consolidated financial statements on a going concern assumption is appropriate or not.

4. The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31st March, 2022 have drawn qualified opinion.

a. Note No. 16.6 in the financial statements which indicates that the Company has not adhered to the repayment schedule for the principal and interest dues to the Bank, consequent to which the Bank has filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act, 2002). Further the Bank has taken over symbolic possession of the immovable property and issued sale notice for e-auction of the

property given by the ultimate holding company as corporate guarantee. The outstanding amount is Rs. 23856.86 lakhs as per the books of account as at March 31, 2022.

- b. The company proposed to the bank for OTS and the same is accepted and agreed by the bank letter dated 15th March 2022 giving option for one time settlement (OTS) as full and final for Rs. 95.00 crore Out of which the company had already made payment Rs.9.00 crore and the balance OTS amount Rs.86.00 cr should be payable on or before 14th September 2022.
- c. Further the Company is currently pursuing the realization of dues to the Company and other than this the Company is not carrying any business activity. The regulatory authority 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. 2 crores as stated in the said note to the financial statement. The Company's inability to meet its financial statements, non-payment of statutory dues and in absence of visual cash flows, doubts are cast on the ability of the Company to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it is appropriate to treat the Company as a going concern. However based on the management's assertions the Company's financial statements have been prepared on the basis of going concern and the impact, if any, if it were to be treated as a going concern, is not ascertainable at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of consolidated financial statements in India in terms of Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

#### Emphasis of Matter

The parent company i.e. Picturehouse Media Limited, has furnished a financial guarantee of Rs. 10000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai (PVPCL).

The ultimate parent company of the borrower has also furnished a guarantee of Rs. 10000 lakhs and also offered a landed property whose market value is approximately Rs. 18000 lakhs. The borrowings outstanding together with interest is Rs. 23856.85 lakhs.

PVPCL approached the lender Bank for one time settlement (OTS). The lender Bank conveyed its acceptance vide letter dated March 15, 2022 directing PVPCL to pay Rs. 9500 lakhs on or before September 14, 2022. PVPCL has deposited Rs. 900 lakhs in an earmarked bank account as on date.

As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

Our opinion is not modified in this regard.

#### Key Audit Matters

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

#### Contingent Liabilities in relation to Service Tax Litigations

Key Audit Matter	Auditor's Response
<p>The Holding Company has received certain demand orders and notices relating to service tax matters. The Holding company is contesting these demands (refer Note no.57 to the consolidated financial statements).</p> <p>There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported consolidated loss and the Balance Sheet.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>(i) Understanding the current status of the service tax litigations.</li> <li>(ii) Examining recent orders and/or communication received from various service tax authorities and follow up action thereon.</li> <li>(iii) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and</li> </ol>

Key Audit Matter	Auditor's Response
We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.	(iv) Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on service tax issues.

As a result of above audit procedures, no material difference was noted. We confirm the adequacy of disclosures made in the financial statements.

**Key Audit Matters relating to a subsidiary viz. PVP Capital Limited (extract from the report of Statutory Auditors)**

Key Audit Matter	Auditor's Response
Evaluation of uncertain tax positions The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	We have gone through the management's assumptions to determine the possible outcome of these disputes. Our opinion is not modified in respect of this matter.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

**Auditors' Responsibilities for the Audit of Consolidated Financial Statements**

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



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

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other audit reports as noted in 'Other Matters Paragraphs' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

#### **Other Matters**

We did not audit the financial statements of two Wholly Owned subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 3,933.22 lakhs as at 31st March, 2022, total revenue (including other income) of Rs. 800 lakhs, total loss after tax of Rs. 3,939.90 lakhs, total comprehensive loss (net of tax) of Rs. 3,939.90 lakhs for the year ended 31st March, 2022 and Rs. 0.00 lakhs (Rs. 882/-) net cash inflow of for the year ended 31st March, 2022, as considered in the consolidated financial statements. The financial statements and other financial information of these subsidiaries have been audited by the other auditor whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b. Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above, 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 and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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. Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above, 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. The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.
  - h. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report; and
  - i. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and to the best of our information and according to the explanations given to us, during the year, the holding company and its subsidiaries, have not paid remuneration to the director(s) in accordance with the provisions of section 197 of the Companies Act 2013. Therefore, remuneration paid to the directors over and above the limits laid down under this section doesn't arise.
  - j. 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:
    - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer note no: 57 to the consolidation financial statements.
    - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.
  - iv. a) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in notes to account (refer note no.34), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in the note no.35 to consolidated financial statements, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,

that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Group has not declared dividend during the year. Hence reporting with regard to compliance under section 129 of the Act does not arise.
2. With respect to the matters specified in paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order" / "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we furnish the details of companies and paragraph numbers of the CARO report containing the qualification or adverse remarks

Sl. No.	Name of the Company	Clause no. of Para 3 in CARO 2020
1	Picturehouse Media Limited, Chennai (Holding Company)	(iii) (b), (iv) and (xix)
2	PVP Cinema Private Limited, Chennai (Wholly Owned Subsidiary)	(xix)
3	PVP Capital Limited, Chennai (Wholly Owned Subsidiary)	(ix)

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.004207S

Sd/-  
**Venkatasubramanian.S**  
Partner  
Membership Number: 219238  
UDIN:22219238AJKPD18447

Place : Chennai  
Date :May 23, 2022

# **Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements**

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

In conjunction with our audit of the consolidated financial statements of **Picturehouse Media Limited** as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of Picturehouse Media Limited ("the Holding Company" or "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Covered Entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, subject to note no.50 to these consolidated financial statements in relation to preparation of financial statements on "going concern", the projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the consolidated financial statements as at 31st March, 2022:

The company's internal financial control with regard to assessment of loans and advances and inventory as more fully explained in note no. 46 and 47 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".

Attention is also invited to Basis for Qualified opinion in the main report.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31st March, 2022, based on internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the consolidated financial statements of the company and we have issued a qualified opinion on the consolidated financial statements.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies.

Our report is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of other auditor.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.004207S

Sd/-  
**Venkatasubramanian.S**  
Partner

Membership Number: 219238  
UDIN:22219238AJKPD18447

Place : Chennai  
Date : May 23, 2022

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(` in Lakhs)

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I</b>	<b>ASSETS</b>			
<b>(1)</b>	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	<b>4a</b>	119.99	129.46
	(b) Right of use assets	<b>4b</b>	27.84	50.62
	(c) Financial Assets			
	(i) Investments	<b>5</b>	-	5.02
	(ii) Other financial assets	<b>6</b>	10.72	10.23
	(d) Other non current assets	<b>7</b>	93.10	93.10
	<b>Total Non Current Assets</b>		<b>251.65</b>	<b>288.43</b>
<b>(2)</b>	<b>Current assets</b>			
	(a) Inventories	<b>8</b>	3,861.90	4,955.64
	(b) Financial Assets			
	(i) Trade receivables	<b>9</b>	144.95	8.52
	(ii) Cash and cash equivalents	<b>10</b>	4.26	16.10
	(iii) Bank balance other than (ii) above	<b>11</b>	900.00	-
	(iv) Loans	<b>12</b>	1,814.79	4,085.00
	(v) Other financial assets	<b>13</b>	509.94	1,336.23
	(c) Current tax asset (net)	<b>13a</b>	55.15	-
	(d) Other current assets	<b>14</b>	63.82	114.08
	<b>Total Current Assets</b>		<b>7,354.81</b>	<b>10,515.57</b>
	<b>Total Assets</b>		<b>7,606.46</b>	<b>10,804.00</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	<b>15A</b>	5,225.00	5,225.00
	(b) Other Equity	<b>15B</b>	(32,859.75)	(25,778.29)
	<b>Total Equity</b>		<b>(27,634.75)</b>	<b>(20,553.29)</b>
<b>B</b>	<b>LIABILITIES</b>			
<b>(1)</b>	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	<b>16</b>	7,284.41	7,138.11
	(ia) Lease liabilities	<b>17</b>	17.81	-
	(b) Provisions	<b>18</b>	6.41	12.82
	<b>Total Non Current Liabilities</b>		<b>7,308.63</b>	<b>7,150.93</b>
<b>(2)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	<b>19</b>	11,807.00	11,306.69
	(ia) Lease liabilities	<b>20</b>	12.46	53.06
	(ii) Trade payables			
	Total Outstanding dues to Micro Enterprises and Small Enterprises	<b>21</b>	58.63	40.30
	Total Outstanding dues to creditors other than Micro Enterprises and Small Enterprises	<b>22</b>	13,858.30	10,855.38
	(iii) Other financial liabilities	<b>23</b>	1,047.44	812.97
	(b) Other current liabilities	<b>24</b>	1,148.75	1,137.96
	(c) Provisions			
	<b>Total Current Liabilities</b>		<b>27,932.58</b>	<b>24,206.36</b>
	<b>Total Equity and Liabilities</b>		<b>7,606.46</b>	<b>10,804.00</b>

Summary of Significant Accounting Policies

1-3

The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : May 23, 2022

Sd/-

**PRASAD V. POTLURI**

Managing Director

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place : Chennai

Date : May 23, 2022

Sd/-

**N.S. KUMAR**

Director

Sd/-

**Derrin Ann George**

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2022

(` in Lakhs)

	Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
I.	Revenue from operations	25	1,605.53	1.43
II.	Other income	26	9.63	137.36
III.	<b>Total Income (I + II)</b>		<b>1,615.16</b>	<b>138.79</b>
IV.	<b>Expenses:</b>			
	a. Cost of film production expenses	27	1,060.00	3.03
	b. Employee benefit expense	28	42.45	40.02
	c. Finance costs	29	3,992.33	3,305.33
	Depreciation and amortization expense	4a&4b	29.97	33.63
	d. Other expenses	30	159.45	68.66
	e. Impairment on Financial Instruments	31	-	1,491.59
	<b>Total expenses</b>		<b>5,284.20</b>	<b>4,942.26</b>
V.	<b>Profit/(Loss) before exceptional items and tax ( III - IV )</b>		<b>(3,669.04)</b>	<b>(4,803.47)</b>
VI.	Exceptional items	32	3,420.08	-
VII.	<b>Profit/(Loss) before tax (V - VI)</b>		<b>(7,089.12)</b>	<b>(4,803.47)</b>
VIII.	<b>Tax Expenses</b>			
	(1) Current tax		0.20	-
	(2) Deferred Tax (Asset) / Liability		-	-
	(3) Income tax for earlier years		-	-
	<b>Total Tax Expenses</b>		<b>0.20</b>	<b>-</b>
IX.	<b>Profit/(Loss) for the year (VII - VIII)</b>		<b>(7,089.32)</b>	<b>(4,803.47)</b>
X.	<b>Other Comprehensive Income, net of tax</b>			
	<b>Items that will not be reclassified subsequently to profit and loss</b>			
	Remeasurement of defined benefit obligation		7.86	2.63
	Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
			<b>7.86</b>	<b>2.63</b>
	<b>Items that will be reclassified subsequently to profit and loss</b>		<b>-</b>	<b>-</b>
	<b>Other Comprehensive income, net of tax (X)</b>		<b>7.86</b>	<b>2.63</b>
XI.	<b>Total Comprehensive income for the year (IX + X)</b>		<b>(7,081.46)</b>	<b>(4,800.84)</b>
XII.	<b>Total Comprehensive Income for the year attributable to:</b>			
	<b>Non Controlling Interest</b>		-	-
	<b>Owners of the Parent</b>		<b>(7,081.46)</b>	<b>(4,800.84)</b>
XII.	<b>Earnings per equity share of nominal value Rs. 10 each :</b>			
	(1) Basic and diluted (not annualised) (Rs.)	58	<b>(13.57)</b>	<b>(9.19)</b>

Summary of Significant Accounting Policies

1-3

The accompanying notes and other explanatory information are integral part of the Consolidated financial statements.

As per our report of even date.

**For and on behalf of the Board of Directors**

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : May 23, 2022

Sd/-

**PRASAD V. POTLURI**

Managing Director

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place : Chennai

Date : May 23, 2022

Sd/-

**N.S. KUMAR**

Director

Sd/-

**Derrin Ann George**

Company Secretary

# **CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31ST MARCH, 2022**

(` in Lakhs)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before Tax	<b>(7,089.12)</b>	<b>(4,803.47)</b>
	<b>Adjustments for:</b>		
	Exceptional items	3,420.08	
	Depreciation and Amortization	29.97	33.63
	(Profit) / Loss on Sale of Property, plant & equipment and Intangible Assets	0.08	(2.67)
	Fair Value of investments through Profit and Loss	(0.11)	(0.26)
	Payable written up	(1.79)	(108.64)
	Provision for expenses no longer required - written up	-	(18.86)
	Unwinding of Interest income on rental deposits	(0.49)	(2.75)
	Interest on Staff advance	(2.37)	(0.79)
	Sundry creditors written up	(4.42)	(3.22)
	Assets written off	2.67	-
	Contingent provision on sub-standard assets	-	1,491.59
	Provision for Employee Benefits	(1.45)	(6.82)
	Interest Expenses	3,891.16	3,214.54
	<b>Cash Generated Before Working Capital Changes</b>	<b>244.21</b>	<b>(207.72)</b>
	<b>Movement In Working Capital</b>		
	Increase / (Decrease) in Trade Payables	18.33	(9.12)
	Increase / (Decrease) in Other Financial Liabilities	63.20	85.83
	Increase / (Decrease) in Other Liabilities	134.44	71.56
	(Increase) / Decrease in Trade Receivables	(136.43)	12.47
	(Increase) / Decrease in Loans	22.50	114.50
	(Increase) / Decrease in Inventories	(174.16)	(61.21)
	(Increase) / Decrease in Other Financial Assets	10.59	99.72
	(Increase) / Decrease in Other Assets	50.95	(4.61)
	(Increase) / Decrease in Other Bank Balance	(900.00)	
	Increase/(Decrease) in Long Term Provisions	10.80	
	Increase/(Decrease) in Short Term Provisions	1.44	
	<b>Cash Generated From Operations</b>	<b>(654.13)</b>	<b>101.42</b>
	Direct Taxes Refund	-	393.01
	Direct Taxes Paid	(55.35)	-
	<b>Net Cash Flow From / (Used in) Operating Activities (A)</b>	<b>(709.48)</b>	<b>494.43</b>
<b>B</b>	<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
	Repayment/(Advances) made for Film Finance	109.96	(262.47)
	Proceeds from Sale of Property, plant & equipment and Intangible Assets	-	2.84
	Proceeds from sale of mutual funds	5.14	-
	<b>Net Cash Flow From / (Used in) Investing Activities (B)</b>	<b>115.10</b>	<b>(259.63)</b>



# CONSOLIDATED CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2022

(` in Lakhs)

Particulars		Year ended 31st March, 2022	Year ended 31st March, 2021
<b>C</b>	<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
	Proceeds from/(to) Short - Term Borrowings (Net)	500.31	(252.57)
	Payment of lease liabilities (Including interest thereon)	(21.82)	(22.90)
	Proceeds from Long Term Borrowings	-	52.84
	Receipt of Loan advanced	104.05	-
	<b>Net Cash Flow From / (Used in) Financing Activities (C)</b>	<b>582.54</b>	<b>(222.63)</b>
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(11.84)	12.17
	Cash and Cash Equivalents at the beginning of the year	16.10	3.93
	Cash and Cash Equivalents at the end of the year	4.26	16.10
	<b>Components of Cash and Cash Equivalents</b>		
	Cash in Hand	0.00	0.60
	Balances with Banks		
	-In Current Accounts	4.26	15.50
	<b>Cash and cash Equivalent</b>	<b>4.26</b>	<b>16.10</b>

## Summary of Significant Accounting Policies

1-3

### Notes:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.  
Reconciliation between the opening and closing balances in the balance sheet for financial liabilities arising from financing activities:

Particulars	As at 01st April, 2021	Cash Flows	Non-Cash Changes	As at 31st March, 2022
			Book Adjustments	
Long Term Borrowings	7,138.11	104.05	42.25	7,284.41
Short term Borrowings	11,306.69	500.31	-	11,807.00
Other Financial Liabilities	10,855.38	-	3,002.92	13,858.30
<b>Total Financial Liabilities</b>	<b>29,300.18</b>	<b>604.36</b>	<b>3,045.17</b>	<b>32,949.71</b>

Non Cash financing and investing activities- Refer note no 54 (g)

The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place: Chennai

Date : May 23, 2022

For and on behalf of the Board of Directors

Sd/-

**Prasad V. Potluri**

Managing Director

Place: Hyderabad

Date: May 23, 2022

Sd/-

**A Praveen Kumar**

Chief Financial Officer

Place: Hyderabad

Date: May 23, 2022

Sd/-

**N S Kumar**

Director

Place: Chennai

Date: May 23, 2022

Sd/-

**Derrin Ann George**

Company Secretary

Place: Chennai

Date: May 23, 2022

## A. Equity Share Capital

### (1) Year ended 31st March 2022 (refer Note No.:15A)

Balance at the beginning of 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the 31st March 2022
5,225.00	-	-	-	5,225.00

### (2) Year ended 31st March 2021 (refer Note No.:15A)

Balance at the beginning of 1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the 31st March 2021
5,225.00	-	-	-	5,225.00

## B. Other Equity

### (1) Year ended 31st March 2022 (refer Note No.:15B)

Particulars	Reserves & Surplus						Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium Reserve	General Reserve	Statutory reserve	Retained Earnings		Re - measurements of net defined benefit Liability/ Asset	
					Profit/ (Loss) in the statement of Profit or Loss	Defined benefit plan		
Balance at the beginning of 1st April 2021	22.88	182.50	0.86	511.23	(26,533.23)	37.47	-	(25,778.29)
Profit for the year, net of income tax	-	-		-	(7,089.32)	-	-	(7,089.32)
O t h e r comprehensive income for the year	-	-	-	-	-	-	7.86	7.86
Transfer to retained earnings	-	-		-	-	7.86	(7.86)	-
Balance at the end of 31st March 2022	22.88	182.50	0.86	511.23	(33,622.55)	45.33	-	(32,859.75)

(2) Year ended 31st March 2021 (refer Note No.:15B)

Particulars	Reserves & Surplus						Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium Reserve	General Reserve	Statutory reserve	Retained Earnings		Re - measurements of net defined benefit Liability/ Asset	
					Profit/ (Loss) in the statement of Profit or Loss	Defined benefit plan		
Balance at the beginning of 1st April 2020	22.88	182.50	0.86	511.23	(21,729.76)	-	34.84	(20,977.45)
T o t a l Comprehensive Income for the current year	-	-	-	-	(4,803.47)	-	-	(4,803.47)
Profit for the year, net of income tax	-	-	-	-	-	-	2.63	2.63
O t h e r comprehensive income for the year	-	-	-	-		37.47	(37.47)	-
Balance at the end of 31st March 2021	22.88	182.50	0.86	511.23	(26,533.23)	37.47	-	(25,778.29)

The description of the nature and purpose of each reserve within equity is as follows:

1. Security Premium : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
2. Retained Earnings : Retained Earnings represent accumulated losses of the company.
3. General Reserve: Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 ("the Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the company in accordance with the provisions of the companies act, 2013.
4. Capital Reserve : Capital Reserve represents reserve recognised on amalgamations and arrangements.
5. Statutory Reserve : Statutory Reserve represents reserve created as per section 45-IC of the Reserve Bank of India Act, 1934.
6. Exchange Fluctuation Reserve : Exchange differences relating to the translation of the results and the net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e currency units) are recognised directly in other comprehensive income and accumulated in the exchange fluctuation reserve. Exchange differences previously accumulated in the exchange fluctuation reserve will be reclassified to profit or loss on the disposal of foreign operations.

The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Reg No. 004207S

For and on behalf of the Board of Directors

Sd/-  
**Venkatasubramanian.S**  
Partner  
Membership No. 219238

Sd/-  
**Prasad V. Potluri**  
Managing Director

Sd/-  
**A.Praveen Kumar**  
Chief Financial Officer

Sd/-  
**Derrin Ann George**  
Company Secretary

Place : Chennai  
Date : May 23, 2022

Place : Chennai  
Date : May 23, 2022

# Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

## 1. Corporate Information

Picturehouse Media Limited ("the Parent Company") is a Listed Company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The Parent Company has two subsidiaries. The main activities of the Parent Company along with its Wholly Owned subsidiaries are of Movie Production and Movie Financing related activities. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

The Consolidated Financial Statements of the Group for the year ended 31st March 2022 including comparatives are duly adopted by the Board of Directors in the meeting held on May 22, 2022 by video conferencing for consideration and approval by the shareholders.

## 2. Significant Accounting Policies

### Basis of Preparation of Financial Statements

These financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

Disclosures under Ind AS are made only in respect of material items that will be useful to the users of Financial Statements in making economic decisions.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the Group operate.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in **Ind AS 1 Presentation of Financial Statements and Schedule III to the Companies Act, 2013**.

### Current/ Non Current Classification

An asset is classified as current when

- 1) It is expected to be realized or consumed in the Group's normal operating cycle;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be realized within twelve months after the reporting period; or
- 4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not confirming to the above is classified as non-current.

A liability is classified as current when

- 1) It is expected to be settled in the normal operating cycle of the Company;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be settled within twelve months after the reporting period; or
- 4) The Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

### a) Basis of consolidation:

- i) The consolidated financial statements of the Group incorporate the financial statements of the Parent Group and its subsidiaries. The Parent Group has control over the subsidiaries as it is exposed, or has rights, to variable

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Group considers all relevant facts and circumstances in assessing whether or not the Parent Group's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Group obtains control over the subsidiary and ceases when the Parent Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Group gains control until the date when the Parent Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In case of subsidiaries consolidated for the first-time consequent to adoption of IND AS, the deemed cost of goodwill as of the transition date has been computed to equal the difference between:

- the Group's interest in carrying amounts of assets and liabilities; and
- the cost, in the Parent Group's separate financial statements, of its investment in the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Group.

- ii) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.
- iii) List of Subsidiaries and proportion of voting power held:

Name of the Subsidiary	Country of incorporation/ Residence	Proportion of Ownership Interest/ Proportion of Voting power held
PVP Cinema Private Limited, Chennai (PCPL)	India	100% (Wholly Owned Subsidiary)
PVP Capital Limited, Chennai (PCL)	India	100% (Wholly Owned Subsidiary)

- iv) During the Financial Year 2018-19, UCO Bank Ltd invoked 10 lakhs pledged shares of Picturehouse Media Limited held by PVP Ventures Limited. Consequently, the total investment of 51.46% in Picturehouse Media Limited held by PVP Ventures Limited along with its subsidiaries has reduced to 49.55%.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

### b) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to the statement of profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### c) Impairment of Property, Plant & Equipment:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### d) Inventory

Inventory consists of investments in films and associated rights, including acquired rights and advances to talent associated with film production, are stated at lower of cost / unamortised cost or realisable value. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

A charge is made to write down the cost once the film is theatrically exhibited commercially. Charge is recognized in the income statement within cost of production.

### e) Foreign Currency Translation:

#### Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the group are recorded in the functional currency (i.e., India Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### Measurement of foreign currency items on reporting date

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Effective 01st April 2018, the group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

#### Group Companies

For the purposes of the consolidated financial statements, items in the consolidated statements of profit or loss of those operations for which the Indian Rupees is not the functional currency are translated to Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in profit or loss.

### f) Leases

#### The Group as a Lessee

The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether : (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Group as a Lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

### **Leasehold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 116 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

## **g) Financial Instruments**

### **1) Initial Recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through statement of profit or loss and other comprehensive income are added to the fair value on initial recognition.

### **2) Subsequent Measurement**

#### **i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

#### **iii) Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

### iv) Financial Liability

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

### 3) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or its transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 4) Impairment of Assets

#### Financial Assets (other than at fair value):

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 5) Fair value of Financial Instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date..

#### Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### h) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

### i) Revenue Recognition

The Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e 01st April, 2018). The impact of the adoption of the standard on the financial statements of the Group is insignificant.

- 1) Revenue is recognized, net of sales related taxes, when the agreement exists, the fees are fixed or determinable, the product is delivered, or services have been rendered and collectability is reasonably assured. The Group considers the terms of each arrangement to determine the appropriate accounting treatment.

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Theatrical** - Contracted minimum guarantees are recognized on the theatrical release date. The Group's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Group.

**Other rights** - other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date when the rights are made available to the assignee for exploitation.

- 2) Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- 3) Sale of Intangibles assets are recognised when asset is sold to customers which generally coincides with the delivery and acceptance. Income earned on licensing the copyrights is recognised on time proportion basis.
- 4) In respect of PVP Capital Limited, Interest income on loans is accrued over the maturity of the loan where the interest is serviced regularly as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the Group. Interest on loans which are classified as Non-performing assets and are accounted for on realization basis.
- 5) Dividend from investments is accounted for as income when the right to receive dividend is established.

### j) Employee Benefits

#### Gratuity

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with IndAS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required by schedule III, to the Companies Act, 2013 the Group transfers it to retained earnings.

#### Compensated Absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### Other Benefit Plans

Contributions paid/payable under defined contributions plans are recognised in the statement of Profit or Loss in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The Group makes monthly contributions and has no further obligations under the plan beyond its contributions.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

### k) Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### i) Current Income Tax

Current Income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### ii) Deferred Income Tax

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### l) Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### m) Earnings per Share

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

### n) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### o) Exceptional Items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of "Movie Production and Movie Financing related activities". The Holding Group, Picturehouse Media Limited operates only in entertainment segment, whereas PVP Cinema Private Limited, the subsidiary, did not have any commercial activity and PVP Capital Limited is in the media financing business. Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment and hence the necessary information has disclosed in the notes to the consolidated financial statements.

### q) Indian Accounting Standards / amendments issued but not yet effective

The Ministry of Corporate Affairs ('MCA') notified amendments to existing standards Ind AS – 16, 37, 41, 101, 103 and 109 under Companies (Indian Accounting Standards) Rules, 2022 on March 2022. These amendments are effective for the financial year beginning from April 01, 2022.

The Group has evaluated these amendments and there are no impacts on its financial statements.

## 3. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Accounting for the film content:** Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Group is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to profit and loss account. As well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Useful lives of property, plant and equipment and intangible assets:** The group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The group reviews the carrying

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2022

amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note No 4a : Property, Plant and Equipment

Particulars	Land	Building	Plant and Equipments	Computers and Related Assets	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Gross Block</b>								
Gross Carrying value as on 1st April, 2020	69.23	35.98	1.22	17.19	18.35	99.35	70.52	311.84
Additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	(62.77)	(7.57)	(70.34)
Gross Carrying value as on 31st March, 2021	69.23	35.98	1.22	17.19	18.35	36.58	62.95	241.50
Additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	(5.37)	(4.10)	(9.17)	(12.09)	(30.73)
Gross Carrying value as on 31st March, 2022	69.23	35.98	1.22	11.82	14.25	27.41	50.86	210.77
<b>Accumulated Depreciation</b>								
Accumulated Depreciation as on 1st April, 2020	-	0.26	1.14	14.62	12.42	74.02	65.59	168.05
For the period 2020-21	-	-	-	0.12	1.90	11.47	0.09	14.16
Depreciation for the year	-	0.58	-	-	-	(62.77)	(7.40)	(70.17)
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated Depreciation as on 31st March, 2021	-	0.84	1.14	14.74	14.32	22.72	58.28	112.04
For the period 2021-22	-	-	-	0.11	1.74	3.61	0.08	6.12
Depreciation for the year	-	0.58	-	(4.42)	(3.40)	(8.46)	(11.10)	(27.38)
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated Depreciation as on 31st March, 2022	-	1.42	1.14	10.43	12.66	17.87	47.26	90.78
<b>Net Block</b>								
Carrying Value as on 31st March, 2021	69.23	35.14	0.08	2.45	4.03	13.86	4.67	129.46
Carrying Value as on 31st March, 2022	69.23	35.14	0.08	1.39	1.59	9.54	3.60	119.99

Note: During the current year, as well as previous year, Property, plant & equipment has not been revalued.

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note No 4b : Right of Use assets

Particulars	Building	Total
Gross Block		
<b>Gross Carrying value as on 1st April, 2020</b>	<b>17.12</b>	<b>17.12</b>
Additions	67.64	67.64
Disposals	-	-
<b>Gross Carrying value as on 31st March, 2021</b>	<b>84.76</b>	<b>84.76</b>
Additions	1.07	1.07
Disposals	-	-
<b>Gross Carrying value as on 31st March, 2022</b>	<b>85.83</b>	<b>85.83</b>
<b>Accumulated Depreciation</b>		-
Accumulated Depreciation as on 1st April, 2020	14.67	14.67
<b>For the year</b>		
Depreciation	19.47	19.47
Depreciation on disposals	-	-
<b>Accumulated Depreciation as on 31st March, 2021</b>	<b>34.14</b>	<b>34.14</b>
<b>For the year</b>		
Depreciation for the year	23.85	23.85
Depreciation on disposals	-	-
<b>Accumulated depreciation as on 31st March, 2022</b>	<b>57.99</b>	<b>57.99</b>
<b>Net carrying amount</b>		-
<b>As at 31st March, 2021</b>	<b>50.62</b>	<b>50.62</b>
<b>As at 31st March, 2022</b>	<b>27.84</b>	<b>27.84</b>

During the year, as well as in the preceeding financial year, Right-of-use asset(s) has not been revalued.

## Note 6 : Financial Assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Investments</b>		
<b>Non Current Investments</b>		
<u><b>Investments carried at Fair value through Profit or Loss</b></u>		
<b>a) Investment in Mutual Fund - Quoted</b>		
Investment in Canara Robeco Saving Fund - Regular growth (Last year : 15,176.50 units @33.10 per unit)	-	5.02
	-	<b>5.02</b>
Aggregate of Non Current Investments - Quoted	-	5.02

## Note 6 : Other Financial assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current		
Security Deposits - Considered Good	10.72	10.23
	<b>10.72</b>	<b>10.23</b>

## Note 7 : Other Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non Current		
Tax Deducted at Source(TDS) Receivable	5.61	5.61
Taxes Paid Under protest	87.49	87.49
	<b>93.10</b>	<b>93.10</b>

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 8 : Inventories

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Film Production Expenses (refer note no.47)	3,861.90	4,955.64
(Valued at lower of cost or net realisable value)	3,861.90	4,955.64

## Note 9 : Trade Receivables

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Unsecured - Considered Good	144.95	8.52
Credit Impaired	565.30	566.78
Less: Allowance for doubtful debts (Expected credit loss allowance)*	(565.30)	(566.78)
	<b>144.95</b>	<b>8.52</b>
* Movement in loss allowance of trade receivables		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	566.78	567.09
Amount written off	(1.48)	(0.31)
Credit loss allowance	-	-
Closing balance	565.30	566.78

## Note 10 : Cash and Cash Equivalents

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks		
In Current Accounts	4.26	15.50
Cash on hand (For current year - Rs. 3)	0.00	0.60
	<b>4.26</b>	<b>16.10</b>

## Note 11 : Bank balance other than mentioned above. (refer note no.48)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked balances - other than bank balances mentioned above	900.00	-
	<b>900.00</b>	<b>-</b>



# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 12 : Loans

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current Secured</b>		
Advances for Film Finance* - considered good(refer note no.46)	1,814.79	4,062.50
Advances for Film Finance - credit impaired (refer note no.46)	15,227.21	13,889.46
Less: Impaired Loss Allowance	(15,227.21)	(13,889.46)
<b>Unsecured - Considered Good</b>		
Advances for Staff	-	22.50
<b>Unsecured - Considered Doubtful</b>		
Advances for Others	62.09	62.40
Less: Provision for doubtful advances	(62.09)	(62.40)

\* Advance for film production includes loan book amounting to Rs.1,814.79 lakhs as at March 31, 2022 hypothecated with bank for credit facility availed by one of the subsidiaries. The interest rate is charged at One Year MCLR + 4.80% i.e. 14.15% (Floating) which is repayable on demand.

### Movement in provisions/allowances

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Advances for Film Finance</b>		
Opening balance	13,889.46	12,397.87
Amount written off	-	-
Credit loss allowance	1,337.75	1,491.59
<b>Closing balance</b>	<b>15,227.21</b>	<b>13,889.46</b>
<b>Other advances</b>		
Opening balance	62.40	632.09
Amount written off / (written up)	(0.31)	(569.69)
Credit loss allowance	-	-
<b>Closing balance</b>	<b>62.09</b>	<b>62.40</b>

## Note 13 : Other Financial Assets - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued on Staff loans - considered good	-	11.86
Interest Accrued on Movie Finance - considered good (refer note no. 46)	509.94	1,324.37
Interest Accrued on Movie Finance - credit impaired considered good (refer note no. 46)	814.43	-
Allowance for interest accrued	(814.43)	-
	509.94	1,336.23

@ Interest accrued on film production - Movement in loss allowance for doubtful advances

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	-	-
Amount written off	-	-
Credit loss allowance	(814.43)	-
Closing balance	-814.43	-

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 13a : Current Tax Asset

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Tax Deducted at Source Receivable (Net of tax provision)	55.15	-
	<b>55.15</b>	<b>-</b>

## Note 14 : Other Current Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Current Assets		
Goods and Service Tax (GST) Input tax Credit	63.55	112.74
Prepaid Expenses	0.27	1.34
	<b>63.82</b>	<b>114.08</b>

### Trade receivables ageing :

#### (a) Trade payables ageing - As on 31st March 2022

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	144.95	-	-	-	-	144.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>144.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144.95</b>

#### (a) Trade payables ageing - As on 31st March 2021

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	8.52	-	-	-	-	8.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>8.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.52</b>

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note.15A : Equity Share Capital

### (a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised Share Capital</b>		
8,00,00,000 Equity Shares of Rs. 10/- each	8,000.00	8,000.00
<b>Issued, Subscribed and Paid Up</b>		
5,22,50,000 equity shares of Rs. 10 each	5,225.00	5,225.00
	<b>5,225.00</b>	<b>5,225.00</b>

### (b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,58,89,405 equity shares (as at 31st March 2021 - 2,58,89,405 equity shares) in the Company.

### (c) Shares in the company held by each shareholder holding more than 5%:

Name of shareholder	As at 31st March, 2022		As at 31st March 2021	
	No. of shares	% held	No. of shares	% held
PVP Ventures Limited, Chennai *	23,53,114	4.50%	23,53,114	4.50%
Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	1,17,57,249	22.50%
Rayudu Media Projects Private Limited, Hyderabad	45,06,490	8.62%	45,06,490	8.62%
PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	1,12,36,641	21.51%
PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	1,22,99,650	23.54%

\* PVP Ventures Limited had pledged 10,00,000 nos. of equity shares of Rs. 10/- each with UCO Bank, Hyderabad to facilitate availing loan by one of its subsidiary companies. During the financial year 2018-19, the lender bank invoked 10,00,000 pledged shares and sold 9,234 nos. equity shares and in financial year 2019-20, it further sold 22,286 nos. equity shares. During the previous financial year viz. 2020-21, the subsidiary company repaid the loan amount under one time settlement scheme. The remaining shares (viz. 9,68,480 nos.) of the company held by PVP Ventures Limited is yet to be transferred, pending receipt of documents from the lender bank.

### (d) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2022		As at 31st March 2021	
	No. of shares	Amount	No. of shares	Amount
Number of equity shares outstanding at the beginning of the year	5,22,50,000	5,225.00	5,22,50,000	5,225.00
Add: Number of Shares allotted during the year	-	-	-	-
Less: Number of Shares bought back	-	-	-	-
<b>Number of equity shares outstanding at the end of the year</b>	<b>5,22,50,000</b>	<b>5,225.00</b>	<b>5,22,50,000</b>	<b>5,225.00</b>

### (e) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

(f) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2022).

(g) The Company does not issued any shares under options.

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

(h) Shares held by promoters at the end of the year: 31st March 2022

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1. PVP Ventures Limited, Chennai	23,53,114	4.50%	-
2. Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	-
3. PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	-
4. PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	-

(i) Shares held by promoters at the end of the year: 31st March 2021

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1. PVP Ventures Limited, Chennai	23,53,114	4.50%	-
2. Jhansi Sureddi, Hyderabad	1,17,57,249	22.50%	-
3. PVP Global Ventures Private Limited, Chennai	1,12,36,641	21.51%	-
4. PVP Media Ventures Private Limited, Chennai	1,22,99,650	23.54%	-

## Note 15B : Other Equity

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Other equity</b>		
- Capital reserve	22.88	22.88
- Securities Premium	182.50	182.50
- General Reserve	0.86	0.86
- Statutory Reserve	511.23	511.23
- Retained Earnings	(33,577.22)	(26,495.76)
<b>Total</b>	<b>(32,859.75)</b>	<b>(25,778.29)</b>

## Note 16 : Financial Liabilities (Non - Current)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (Unsecured) - From Company		
From a related party (refer note no 59(c))	689.80	106.00
Others	6,594.61	7,032.11
	<b>7,284.41</b>	<b>7,138.11</b>
1. The Group has availed a loan from a related party which is repayable at the time of release of movies and interest rate is charged at 12% p.a. 2. The Group has availed a loan from a Company which is repayable based on the availability of funds and interest rate is charged at 12% p.a on daily average balances. However, the lender has waived off the interest for the financial year 2020-2021 and 2021-22. 3. The above loans were applied for the purpose for which they were availed. 4. The principal repayment and interest due for the year has been paid on the due date, wherever due. 5. The above loans carry varying rates of interest with the maximum rate of interest going upto 12.00%		

## Note 17 : Lease liabilities - Non Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability (refer note no.54)	17.81	-
	<b>17.81</b>	<b>-</b>

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 18 : Provisions (Non - Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision For Employee Benefits - Gratuity	6.41	12.82
	<b>6.41</b>	<b>12.82</b>
Movement in Employee benefits - Gratuity		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	13.00	13.38
Add : Provision made during the year	1.45	2.26
Less: Provision utilized / reversed during the year	(7.86)	(2.64)
<b>Closing balance (refer note no.62)</b>	<b>6.59</b>	<b>13.00</b>

## Note 19 : Financial Liabilities (Current)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (secured) - From Bank		
From Bank (refer note no.48)	10,000.00	10,000.00
From Others	1,807.00	1,306.69
	<b>11,807.00</b>	<b>11,306.69</b>
<p>1. The group has availed Indian rupee term loan from bank amounting to Rs.10,000 lakhs and interest rate charged is base rate +4.50% i.e 14.70%. Loan is secured by a charge on the loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to group companies and personal guarantee of Mr.Prasad V.Potluri and Smt.Jhansi Sureddi. As on 31st March, 2022, an amount of Rs. 23,856.85 lakhs is overdue for a period of more than two/three years towards principal and interest to the bank."</p> <p>2. The group has availed a Loan of Rs. 1,807.00 lakhs at interest rate 12% p.a from a company secured by a second charge on the Loans made to film finance and other related activities, and personally guaranteed by a Director of the subsidiary, repayable on demand. During the year, the lender company has waived off the interest.</p>		

## Note 20 : Lease liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liability (refer note no.54)	12.46	53.06
	<b>12.46</b>	<b>53.06</b>

## Note 21 : Trade Payables (Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Sundry Creditors for services (refer note no.55)	58.63	40.30
	<b>58.63</b>	<b>40.30</b>

## Note 22 : Other Financial Liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued and due on borrowings	13,856.86	10,855.38
Employee related payables	1.44	-
	<b>13,858.30</b>	<b>10,855.38</b>

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 23 : Other Liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Dues Payable	1,039.84	805.37
Penalty to stock exchange	7.60	7.60
	1,047.44	812.97

## Note 24 : Provisions (Non - Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Employee benefits - Gratuity	0.18	0.18
Standard assets	61.38	61.38
Income tax (net of Advance tax and Tax deducted at source)	1,087.19	1,076.40
	1,148.75	1,137.96
<b>Movement for Income tax</b>		
Opening balance	1,076.40	1,076.40
Additions	10.79	-
Deletions	-	-
<b>Closing balance</b>	1,087.19	1,076.40

### Trade receivables ageing :

#### (a) Trade payables ageing - As on 31st March 2022

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-
ii. Others	-	38.07	15.33	5.23	-	58.63
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	38.07	15.33	5.23	-	58.63

#### (b) Trade payables ageing - As on 31st March 2021

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-
ii. Others	-	19.71	20.59	-	-	40.30
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	-	19.71	20.59	-	-	40.30

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 25 : Revenue from Operations

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Revenue from distribution and exhibition of film and other rights	805.53	1.43
Other Operating Income		
Income from Movie finance (refer note no. 56)	800.00	-
	1,605.53	1.43

## Note 26 : Other Income

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Income on Income Tax Refund	0.45	0.00
Payable written up	4.42	111.86
Profit on Sale of Asset	-	2.84
Interest on Advances to Staff	2.37	0.79
Excess provision written back	1.79	18.86
Fair value through profit and loss	-	0.26
Gain on sale of mutual funds	0.11	-
Miscellaneous Income	0.49	2.75
	9.63	137.36

## Note 27 : Cost of Film Production Expenses

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Film Production Expenses	4,955.64	4,894.43
Less: Inventory Written off during the year	(1,267.90)	-
Sub-total	3,687.74	4,894.43
Add: Current year Film Production Expenses	1,234.16	64.24
Sub-total	4,921.90	4,958.67
Less: Closing balance	3,861.90	4,955.64
	1,060.00	3.03

## Note 28 : Employee Benefit Expenses

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Salaries and wages	40.77	37.22
Gratuity (refer note no 18 and 24)	1.45	2.26
Contribution to provident fund	-	0.20
Staff welfare expenses	0.23	0.34
	42.45	40.02

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 29 : Finance Cost

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest on		
- Borrowings	3,886.02	3,208.28
- Lease liability	5.14	6.26
- Others	101.17	90.79
	<b>3,992.33</b>	<b>3,305.33</b>

## Note 30 : Finance Cost

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Rent	-	0.41
Insurance	0.55	1.35
Power and Fuel	5.24	3.87
Printing and Stationery	0.46	0.55
Communication Expenses	0.68	1.30
Repairs and Maintenance		
- Others	3.40	3.10
Corporate Social Responsibility expenses	69.00	-
Rates and taxes	2.08	2.85
Payments to auditors		
for statutory audit	8.50	8.85
for tax audit	0.50	-
for certification charges	-	2.00
for reimbursement of expenditure	-	0.15
Directors Sitting Fees	4.15	4.25
Legal, Professional and consultancy	11.73	15.23
ROC Fees	0.19	-
Membership Fee	0.09	0.08
Office Maintenance	3.15	3.94
Advertisement, publicity and sales promotion	38.29	2.54
Bank Charges	0.30	0.04
Investor related expenses including Listing Fees	6.03	6.66
Travel Expenses including Conveyance	1.39	2.42
Loss on Sale of Asset	0.08	0.17
Provision for BSE - Penalty	0.51	7.60
Assets written off	2.67	-
Miscellaneous expenses*	<b>0.46</b>	<b>1.30</b>
	<b>159.45</b>	<b>68.66</b>

\* under this head, there is no expenditure which is in excess of 1% of total revenue or Rs. 10 lakhs, whichever is higher

## Note 31 :

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contingent provision on sub- standard assets	-	1,491.59
	<b>-</b>	<b>1,491.59</b>



# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 32 : Exceptional items

(Rs In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Doubtful Advances and Debts (refer note no.46)	2,152.18	-
Inventory Written Off (refer note no.47)	1,267.90	-
	<b>3,420.08</b>	<b>-</b>

- 33 No proceedings have been initiated or pending against the Group for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.
- 34 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- 35 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 36 The Group has not operated in any crypto currency or Virtual Currency transaction.
- 37 There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- 38 During the year the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.
- 39 The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- 40 No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- 41 The Group has not availed loan from bank or financial institution on the basis of security of current assets. Further Short Term loans availed have not been utilised for long term purposes
- 42 The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.
- 43 Charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period - Nil.

# Notes to the Consolidated Financial Statements for the Year Ended 31st March 2022

## Note 44

S.N.	Ratios	31-Mar-22	31-Mar-21
1	Current ratio	0.26	0.43
	(Current Assets/Current Liabilities)		
	Variance	-39%	
	Reason: Decrease in current ratio is due to write off of inventory and provision for doubtful loans and advances		
2	Debt-equity ratio	(0.69)	(0.90)
	(Gross total borrowings/Equity share capital + Other equity)		
	Variance	-23%	
3	Debt service coverage ratio	0.09	(0.44)
	(Profit before tax, exceptional items, Depreciation and Net Finance Charges/ Net Finance charges + Long term borrowings scheduled principal repayments)	120%	
	Variance		
	Reason :Increase in Debt service coverage ratio is due to increase in Net Profit		
4	Return on equity ratio	24%	21%
	(Net profit after tax/Average Shareholders equity)		
	Variance	18%	14.29%
5	Inventory turnover ratio	0.24	0.0006
	(Cost of goods sold/Average inventory)		
	Variance	39972%	
	Reason :Increase is due to increase in sales		
6	Trade Receivables turnover ratio	20.92	0.10
	(Net sales/Average Trade receivables)		
	Variance	20820%	
	Reason : Increase is due to increase in sales		
7	Trade payables turnover ratio	-	-
	(Net purchases/Average Trade payables)		
8	Net capital turnover ratio	-0.08	0.0001
	(Net sales/Working capital)		
	Variance	-79900%	
	Reason :Decrease in Net capital turnover ratio is due to decrease in working capital (negative)		
9	Net profit ratio	-4.42	-3352.32
	(Net profit/Sales)		
	Variance	-100%	
	Reason:The sales during the current year is substantially higher as compared with the previous year.		
10	Return on Capital employed	-2%	11%
	(Profit before Interest and Tax/Capital employed)		
	Variance	-118%	
	Reason :Decrease in Return on Capital employed is due to decrease in capital employed(negative)		
11	Return on investment		
	(Income generated from investments / average investments)		
	No investment was made by the Group. Hence this ratio is not applicable.		

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### NOTES TO ACCOUNTS

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

46. The current assets of the group include loans and advances made by the Parent Company aggregating to Rs.1,633.14 lakhs (including interest accrued of Rs. 509.94 lakhs).The Board is confident of realizing the value at which they are carried not with standing the period of outstanding. The Board does not foresee any erosion in carrying value.

The above-mentioned carrying amount of Rs. 1,633.14 lakhs (including interest amount of Rs. 509.94 lakhs) is after providing for doubtful advances to the tune of Rs. 2,152.18 lakhs, being, the advances granted to production houses now considered unrecoverable. This being exceptional in nature, it is disclosed accordingly under note no.32.

47. Film production – in – progress (inventory) amounting to Rs. 3,861.90 lakhs. As regards 'expenditure on films under production' mainly comprises of advance 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 realizing the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value.

The above-mentioned carrying amount of Rs. 3,861.90 lakhs is after writing off inventory to the tune of Rs. 1,267.90 lakhs, being, the advances granted in respect of film production considered unrecoverable. This being exceptional in nature, it is disclosed accordingly under note no.32.

48. In respect 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.23,856.85 lakhs (including interest accrued) as per the books of accounts as on 31st March 2022. 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 the same was agreed by the bank vide letter dated March 15, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs and the balance of Rs 8,600 lakhs has to be remitted by September 14, 2022.

Further, the company had received communication letter from the Reserve Bank of India (RBI) letter dated 4th February 2021, 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 2021, 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 investment 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 additional cash flows will meet its obligations.

49. PVP Capital Limited has a book debt of Rs. 14,581.04 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 cumulative provision of Rs. 13,889.45 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.

50. As on 31st March 2022 the Group has a negative net worth of Rs 27,634.75 Lakhs. Eventhough the Group is incurring continuous losses and negative net worth, the group has 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 intends to strategically merge with its holding

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

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 pipeline and risk mitigating factors.

51. The group has accounted Rs. 5.14 Lakhs as Finance cost and Rs. 23.85 Lakhs as Depreciation as per the Ind AS 116, "Leases".

### 52. Corporate Social Responsibility (CSR)

Gross amount required to be spent during the year is Nil. (Last year Nil).

Average Net Profits of the Company for the last three financial years is negative. Hence the provisions of Section 135 of the Act are not applicable for the year ended 31st March 2022.

The group had spent Rs 69 lakhs during the current financial year pertaining to the financial years preceding 2018-19, in the Educational sector. The group was not in a position to generate sufficient funds in the previous years. Hence the amount was not spent in the respective years.

53. **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, Loans and Advances 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 COVID-19 situation.

### 54. Leases:

- a) Effective 01st April 2019, the company had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on 01st April 2019 using the modified retrospective approach.

- b) **Details of the Right to use of Asset held by the company as follows:**

Particulars	Building (Rs. in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>2.45</b>
Addition	67.64
Deletion	-
Depreciation	(19.47)
<b>Balance as at 31st March, 2021</b>	<b>50.62</b>
Addition	1.07
Deletion	-
Depreciation	(23.85)
<b>Balance as at 31st March, 2022</b>	<b>27.84</b>

- c) **Movement in Lease liability**

Particulars	Building (Rs. in Lakhs)
<b>Balance as at 1st April, 2020</b>	<b>4.81</b>
Addition	67.64
Finance Cost Accrued	6.26
Payment of Lease Liability	(25.65)
<b>Balance as at 31st March, 2021</b>	<b>53.06</b>
Addition	1.07
Finance Cost Accrued	5.14
Payment of Lease Liability	(29.00)
<b>Balance as at 31st March, 2022</b>	<b>30.27</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Particulars	As at 31-03-2022	As at 31-03-2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	27.93	27.93
Later than one year and not more than five years	4.66	32.59
More than five years	-	-
<b>Total undiscounted liabilities</b>	<b>32.59</b>	<b>60.52</b>

**d) Breakup of Current and Non-current lease liabilities**

Particulars	Amount (Rs. in lakhs)
Non-Current Liability (note no.17)	17.81
Current Liability (note no. 20)	12.46

e) Incremental borrowing rate applied to lease liabilities is 12% p.a.

f) The expenses relating to short term leases accounted and leases of low value assets during the year is NIL.

g) Non cash financing and investing activities.

Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
Non cash financing and investing activities - Acquisition of Right-of-Use Asset	1.07	67.64

**55. Micro, Small and Medium Enterprises (MSME):** The group has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence the required disclosures such as amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.

**56** The previous year figures have been regrouped in accordance with amendment to Schedule III vide notification no.F.No.17/62/2015-CL-V Vol-I dated March 24,2021 issued by the Ministry of Corporate Affairs, wherever required.

**57. Contingent Liabilities:**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Claims against the company not acknowledged as debts		
- Service Tax	1,893.40	1,893.40
- Income Tax	135.98	135.98
<b>Total</b>	<b>2,029.38</b>	<b>2,029.38</b>

**58. Earnings per Share (EPS)**

Particulars	Refer	Year ended 31st March, 2022	Year ended 31st March, 2021
Profit / (loss) after Tax (Rs. in Lakhs)	A	(7,089.32)	(4,803.47)
Number of Equity shares outstanding	B	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding	C	5,22,50,000	5,22,50,000
Earnings per share – Basic & Diluted (in Rs.)	A/C	(13.57)	(9.19)

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 59. Disclosure in Accordance with Ind As -24 - Related Party Transactions

#### a) List of Related parties where control exists:

Name of the Related Party	Nature of Relationship
Mr. Prasad V.Potluri, Managing Director	Key Managerial Persons
Mr. N S Kumar, Independent Director	
Mr. Sohrab ChinoyKersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from 31.07.2020)	
Mrs Sai Padma Potluri, Executive Director	
(Resigned with effect from 01.06.2020)	
Mr. P Bhanu Prakash (upto 20th August, 2019)	
Mr. Challa Siva Prasad Naga (wef 25th September, 2019)	
Mr. R Nagarajan (wef 25th September, 2019)	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key Managerial Persons
PV Potluri Ventures LLP, Hyderabad	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Hyderabad	A private company in which a director's relative is a member or director.
Dakshin Realities Private Limited	A private company in which a director's relative is a member or director

#### b) Summary of transactions with related parties for the year ended 31st March 2022

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Sitting Fees paid to Directors</b>		
Mr. N S Kumar	1.30	1.30
Mrs. P J Bhavani	0.65	0.90
Mr. Sohrab K Chinoy	1.30	1.30
Mr. Nanda Kumars S	0.90	0.75
<b>Interest Expenses</b>		
BVR Malls Private Limited, Hyderabad	41.83	1.15
<b>Sundry creditors written off</b>		
PV Potluri Ventures LLP, Hyderabad	-	2.90
<b>Loans and advances repaid/(received)</b>		
PV Potluri Ventures LLP, Hyderabad	-	175.00
BVR Malls Private Limited, Hyderabad	(545.18)	(106.00)
Dakshin Realities Pvt Limited, Hyderabad	1,279.24	50.37
PVP Capital Limited, Chennai	(317.66)	14.82

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### d) Summary of Outstanding balances with the related parties as on 31st March 2022

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Loans and Advances payable to Others</b>		
BVR Malls Private Limited, Hyderabad	689.80	107.15
Dakshin Realities Pvt Limited, Hyderabad	6,594.61	7,873.85
<b>Corporate Guarantees given/(received)</b>		
PVP Capital Limited, Chennai	10,000.00	10,000.00
<b>Sitting fees payable</b>		
Mr. N S Kumar	0.50	-
Mrs. P J Bhavani	0.82	0.46
Mr. Sohrab K Chinoy	0.50	-
<b>Mr. Nanda Kumar S</b>	0.41	-

### e) List of Related Parties as per Companies Act, 2013

Name of the person/ company	Nature of Relationship
Mr. A Praveen Kumar, Chief Financial Officer	Key Managerial Persons
Ms. Derrin Ann George, Company Secretary	
Mr. C S N Prasad,	
Mr. Ajay Babu Chigurupati	

### f) Remuneration paid to Key Management Personnel

(Rs. in lakhs)

Transaction	Year Ended 31st March 2022	Year Ended 31st March 2021
Remuneration	26.88	19.07

## 60. Deferred Tax

### a) Deferred Tax asset has not been recognized in respect of the following items:

Particulars	31st March, 2022		31st March, 2021	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	32,267.48	8,389.54	26,260.84	6,827.82
Tax losses	3,816.72	992.35	2,892.53	752.06
Effect of expenses not allowed for tax purpose in the previous year	162.64	42.29	88.33	22.97
<b>Total</b>	<b>36,246.84</b>	<b>9,424.18</b>	<b>29,241.70</b>	<b>7,602.85</b>

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2022.

## 60. Income tax expenses

Income tax expense in the statement of profit and loss comprises:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current tax	0.20	-
Deferred tax	-	-
<b>Income tax expenses</b>	<b>0.20</b>	<b>-</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net Profit/(loss) from the operation before income tax expenditure	(7089.12)	(4,803.47)
Applicable Income tax rate	26.00%	26.00%
Tax at statutory Income Tax Rate	(1,843.17)	(1,248.90)
<b>Effect of expenses not allowed for tax purposes</b>	42.29	0.08
Effect of unrecognised deferred tax	1,800.68	1,248.82
Income tax related to earlier years	-	-
Income tax Expenses charged to statement of Profit or Loss	0.20	-

### 62. Employee Benefits

#### a) Defined Benefit Plan

(Rs. in lakhs)

Gratuity Plan	For the year ended 31st March 2022	For the year ended 31st March, 2021
Defined benefit obligation (DBO)	6.59	13.00
Fair value of plan assets (FVA)	-	-
<b>Net defined benefit asset/(liability)</b>	<b>6.59</b>	<b>13.00</b>

The following table summarizes the components of net benefit expense recognised in the statement of profit or loss/Other Comprehensive Income and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March 2022.

(Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
Current Service Cost	0.57	1.34
Net Interest Cost	0.88	0.92
<b>Total</b>	<b>1.45</b>	<b>2.26</b>

**Amount recognized in Other Comprehensive Income for the year ended 31st March 2022** (Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
Actuarial (gain)/ loss on obligations	(7.86)	(2.63)



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Changes in the present value of the defined benefit obligation for the year ended 31st March 2022 are as follows:

(Rs. in lakhs)

Particulars	Financial Year 2021-22	Financial Year 2021-21
<b>Opening defined obligation</b>	<b>13.00</b>	<b>13.38</b>
Current service cost	0.57	1.34
Interest cost on the Defined Benefit Obligation	0.88	0.92
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - Financial assumptions	(7.86)	(2.64)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation</b>	<b>6.59</b>	<b>13.00</b>

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31st March, 2022	31st March, 2021
Discount rate (in %)	6.80%	6.80%
Salary Escalation (in %)	7.50%	7.50%

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31st March, 2022		31st March, 2022	
<b>Defined Benefit Obligation (Base)</b>	<b>6.41</b>		<b>12.99</b>	
<b>(% change compared to base due to sensitivity)</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount Rate (- / + 1%)	6.96	5.92	13.85	12.23
Salary Growth Rate (- / + 1%)	5.55	7.39	11.54	14.70
Attrition Rate (- / + 1%)	6.10	6.75	12.44	13.50
Mortality Rate (- / + 1%)	6.40	6.42	12.97	13.00

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31st March, 2022	31st March, 2021
Within the next 12 months (next annual reporting period)- (Rs. in lakhs)	0.62	1.37

### Compensated Absences

The employees of the Company are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### b) Defined Contribution Plan"

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognised Rs Nil (Previous Year Rs.0.20 Lakhs) for provident fund contribution in the statement of profit or loss account.

### 63. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in Note No...

#### Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2022 were as follows:  
(Rs. in lakhs)

Particulars	Amount as on 31st March, 2022	Amount as on 31st March, 2021
<b>Financial assets:</b>		
<b>Fair through Profit or Loss</b>		
- Investments in Mutual Funds	-	5.02
<b>Amortised Cost</b>		
- Bank balances other than cash and cash equivalents	4.26	15.50
- Trade Receivables	144.95	8.52
- Loans	1,814.79	4,085.00
- Other Financial Assets	520.66	1,346.46
<b>Financial liabilities:</b>		
<b>Amortised Cost</b>		
- Borrowings	19,091.41	18,444.80
- Trade Payables	58.63	40.30
- Other Financial Liabilities	13,858.30	10,855.38
- Lease liabilities	30.27	53.06

The carrying value of the group's financial assets and liabilities is considered to be fair value at each reporting date.

### 64. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the group's operations. The group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

#### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The financial instruments affected by market risk includes investment, has been discussed below.

##### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's Long-Term borrowings of the company bearing floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

The group's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

### Sensitivity Analysis

An Increase / Decrease of 100 basis points in interest rate at the end of the reporting period of the variable financial instruments would

(Decrease) / Increase profit after taxation for the year by the amounts shown below. This analysis assumes all other remain constant.

#### Profit / (Loss) After taxation

Particulars	31st March, 2022	31st March, 2021
<b>Financial liabilities – Borrowings</b>		
+1% (100 basis points)	74.00	74.00
-1% (100 basis points)	(74.00)	(74.00)

There are no hedging instruments to mitigate this risk.

### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's transactions denominated in foreign currency including loans to overseas subsidiaries and trade payables is expected to be insignificant.

### ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

#### a) Credit risk related to financial services business:

The following table sets out information about credit quality of loan assets measured at amortised cost based on the months past due information. The amount represents gross carrying amount.

Particulars	Financial Year 2021-22	Financial Year 2020-21
<b>Gross carrying value of loan assets</b>		
Neither past due nor impaired	-	-
Past due but not impaired	-	-
1- 3 months past due	-	-
More than 3 months past due	14,581.04	15,381.04
Impaired (more than 3 months)	(13,889.46)	(13,889.46)
<b>Total Gross carrying value as at reporting date</b>	<b>691.58</b>	<b>1,491.58</b>

### b) Credit risk related to Financial Loans:

Financial services business has a comprehensive framework for monitoring credit quality of its film production based on the status of the film production. Repayment by film producers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

The Group applies the simplified approach for providing expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all loans and advances. The group has computed expected credit losses based on the current information of the borrowers and status of the film production.

The Group has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

The nature of collateral security is in the form of personal guarantee of the borrowers. Further this personal guarantee is backed up with the list of immovable properties held by the borrower with the original title deeds.

The maximum exposure to credit risk of loans and advances is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral security.

### c) Credit risk related to corporate guarantee furnished:

The parent company has furnished a corporate guarantee of Rs. 10,000 Lakhs to a bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai. The ultimate parent company viz. PVP Ventures Limited, Chennai, of the borrower has also furnished a guarantee of Rs. 10,000 Lakhs and also offered a land property whose market value is approximately Rs. 18,000 Lakhs. The borrowings outstanding together with interest is Rs. 23,856.85 Lakhs. PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to banks consequent to which the banks have filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). The Bank has issued E-auction sale notice for sale of immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). 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 the same was agreed by the bank vide letter dated March 15, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs and the balance of Rs 8,600 lakhs has to be remitted by September 14, 2022

### d) Trade receivables:

The company from time to time will have significant concentration of credit risk in relation to individual theatrical releases and digital rights. The risk is mitigated by contractual terms which seek to stagger receipts and/or the release or airing of content.

As on 31st March 2022, outstanding receivables amounting to Rs.144.95(previous year – Rs. 8.52 lakhs).

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

### iii) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's management is responsible for liquidity, funding as well as settlement management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of Financial Liabilities: (Rs. in Lakhs)

Particulars	On demand	< 1 year	1-5 years	More than 5 years	Total
<b>As at 31st March 2022</b>					
Borrowings	1,807.00	10,000.00	7,284.41	-	19,091.41
Trade payables	-	38.07	20.56	-	58.63
Interest accrued	-	13,856.86	-	-	13,856.86
Other Financial Liabilities	-	30.27	-	-	30.27
<b>Total</b>	<b>1,807.00</b>	<b>23,925.20</b>	<b>7,304.97</b>	<b>-</b>	<b>33,037.17</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

Particulars	On demand	< 1 year	1-5 years	More than 5 years	Total
<b>As at 31st March 2021</b>					
Borrowings	1,306.69	10,000.00	7,138.11	-	18,444.80
Trade payables	-	40.30	-	-	40.30
Interest accrued	-	10,855.38	-	-	10,855.38
Other Financial Liabilities	-	53.06	-	-	53.06
<b>Total</b>	<b>1,306.69</b>	<b>20,948.74</b>	<b>7,138.11</b>	<b>-</b>	<b>29,393.54</b>

### 65. Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	14,581.04	13,889.46	691.58	6,152.42	7,737.04
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		14,581.04	13,889.46	691.58	6,152.42	7,737.04
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		14,581.04	13,889.46	691.58	6,152.42	7,737.04
<b>Total</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	14,581.04	13,889.46	691.58	6,152.42	7,737.04
	<b>Total</b>	<b>14,581.04</b>	<b>13,889.46</b>	<b>691.58</b>	<b>6,152.42</b>	<b>7,737.04</b>

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classifications and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31st March, 2022 and accordingly, no amount is required to be transferred to impairment reserve.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 66. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize cost of capital.

The Group monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

(Rs. in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Borrowings	19,091.41	18,444.80
Cash and Cash Equivalents	(0.00)	(0.60)
Bank Balances other than Cash and Cash Equivalents	(4.26)	(15.50)
<b>Net Debt</b>	<b>19,087.15</b>	<b>18,428.70</b>
Equity Share Capital	5,225.00	5,225.00
Other Equity	(32,859.75)	(25,778.29)
<b>Total Equity</b>	<b>(27,634.75)</b>	<b>(20,553.29)</b>
<b>Debt Equity Ratio</b>	<b>(0.69)</b>	<b>(0.90)</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2022 and 31st March 2021.

### 78. Financial information pursuant to Schedule III of Companies Act, 2013

Name of the Entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As at 31st March 2022		Year ended 31st March 2022		Year ended 31st March 2022		Year ended 31st March 2022	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
<b>Holding Company</b>								
Picturehouse Media Limited	8.10%	(2,032.96)	44.43%	(3,149.63)	100.00%	7.86	44.37%	(3,141.77)
<b>Indian Subsidiaries</b>								
PVP Capital Limited	91.83%	(23,060.74)	55.41%	(3,928.49)	-	-	55.48%	(3,928.49)
PVP Cinema Private Limited	0.08%	(19.31)	0.16%	(11.41)	-	-	0.15%	(11.41)
Less: Inter-company elimination		(2521.74)		0.21		-		0.21
<b>Total</b>	<b>100%</b>	<b>(27,634.75)</b>	<b>100%</b>	<b>(7,089.32)</b>	<b>100%</b>	<b>7.86</b>	<b>100%</b>	<b>(7,081.46)</b>

68 The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (as per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

69. Estimated amounts of contracts remaining to be executed on capital account and not provided for Nil. (Last year – Nil)

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2022

### 70. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

#### Disaggregated revenue information

##### A Type of goods and service

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) Revenue from distribution and exhibition of film and other rights	805.53	1.43
(b) Income from Movie finance	800.00	-
<b>Total Operating Revenue</b>	<b>1,605.53</b>	<b>1.43</b>
In India	1,605.53	1.43
Outside India	-	-

##### B Timing of revenue recognition

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	1,605.53	Nil	1.43	Nil

##### C Contract balances

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contract assets	Nil	Nil
Contract liabilities	Nil	Nil

##### D Revenue recognised in relation to contract liabilities

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue recognised in relation to contract liabilities	Nil	Nil

##### E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue at contracted prices	1,605.53	1.43
Revenue from contract with customers	1,605.53	1.43
Difference	Nil	Nil

##### F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 004207S

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

For and on behalf of the Board of Directors

Sd/-

**Prasad V. Potluri**

Managing Director

Sd/-

**A.Praveen Kumar**

Chief Financial Officer

Sd/-

**Derrin Ann George**

Company Secretary

Place : Chennai

Date : May 23, 2022

Place : Chennai

Date : May 23, 2022



## PICTUREHOUSE MEDIA LIMITED

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