

## Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of PVP Cinema Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2020 and its Loss, including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing 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 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 financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical requirements in accordance with these requirements and the ICAI's code of ethics.

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

### Material Uncertainty relating to Going Concern

We draw attention to the following matters in the Notes to the financial statements

- a) Note No.9.6 in the financial statements which indicates that the Company has accumulated losses and its net worth is fully eroded, the Company has incurred loss during the current and previous year(s) and the Company's current liabilities exceeded its current asset as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



*Sujeet Borundia*

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our audit report.

## **Information Other than Financial Statements and Auditor`s Report thereon**

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

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

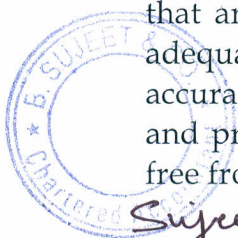
In connection with our audit of financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

## **Responsibilities of Management and those charged with Governance for the Financial Statements.**

The Company`s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



*Sujeet Kumar*

In preparing the financial statements, Management of Company 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 the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

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

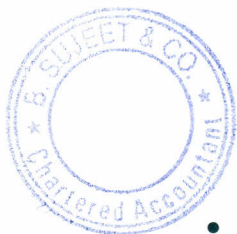
### **Auditor's Responsibilities for the Audit of Financial Statements**

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



*Sujat Sharma*

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 timings of the 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.

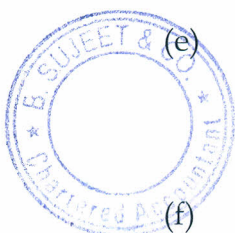
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We decide these matters in our auditor's report unless law or regulation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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial



*Sujeet Pokharna*

reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigation which has an impact on its financial position in its financial statements
- ii. The Company did not have long term contracts 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.

for **B Sujeet & Co.**

*Chartered Accountants*

Firm's Registration number: 009308S

*Sujeet Kumar*

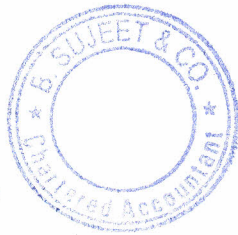
**B Sujeet Kumar**

*Proprietor*

Membership number: 209547

Hyderabad

29<sup>th</sup> July, 2020



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- (i) There are no Fixed Assets as at the year end. Therefore, the provision of clause 3 (i) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (ii) There are no Inventories as at the year end. Therefore, the provision of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (iii) The Company had granted loans to 1 party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and due provision for doubtful recovery had been accounted.
- (iv) The Company has not given loans, investments, guarantees and security during the year and the provision of the clause 3(iv) of the Companies (Audit Report) Order, 2016 are not applicable to the Company for the year under audit.
- (v) The Company has not accepted any deposits from the public during the year. Therefore the provision clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (vi) The maintenance of cost records has not prescribed by the Central Government under sub-section (1) of Section 148 of the Act and hence provision of clause 3 (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (vii) (a) The Company is depositing undisputed statutory dues with appropriate authorities, like Provident fund, Employee state insurance, Income tax, sales tax, value added tax, duty of customs, Excise duty, service tax, cess, Wherever applicable. There are no undisputed statutory outstanding dues as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable except an amount of Rs. 6,54,260/- due on account of Corporate Tax for AY 2009-10.  
  
(b) There are no dues of income tax, Sales tax, Service tax, Duty of customs, Excise duty, Value added tax, Cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.



*Sujeet Kumar*

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit. Accordingly, paragraph 3(x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 is not applicable.

**For B. Sujeet & Co.**

*Chartered Accountants*

Firm's registration number: 009308S

*Sujeet Pskumar*

**B. Sujeet Kumar**

*Proprietor*

Membership number: 209547

Hyderabad

29<sup>th</sup> July, 2020



## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of PVP Cinema Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 judgment, 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

*Sujeet Pokurman*





provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

We draw attention to the following:

The Company does not have any employees and all the operations are being carried out by the employees of the holding company. Hence there is no internal control framework in place in the Company.

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.

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or

*Sujeet Kumar*



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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for my / our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2020

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For **B. Sujeet & Co.**

*Chartered Accountants*

Firm's Registration Number: 009308S

*Sujeet Kumar*

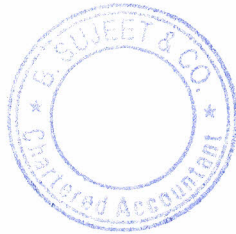
**B.Sujeet Kumar**





*Proprietor*

Membership Number: 209547

Hyderabad

29<sup>th</sup> July, 2020



	Particulars	Note No.	As at Mar 31, 2020	As at Mar 31, 2019
	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment		-	-
	(b) Capital work-in-progress		-	-
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intangible assets			
	(f) Intangible assets under development			
	(c) <b>Financial Assets</b>		-	-
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Service concession receivables		-	-
	(ii) Loans		-	-
	(iii) Other financial assets		-	-
	<b>Total Financial Asset</b>		-	-
	(h) Deferred tax assets (net)		-	-
	(d) Other non current assets		-	-
	<b>Total Non Current Assets</b>		-	-
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) <b>Financial Assets</b>		-	-
	(i) Investments		-	-
	(iii) Service concession receivables		-	-
	(iv) Loans		-	-
	(ii) Cash and cash equivalents		18,701	1,68,660
	(vi) Bank balances		-	-
	(vii) Other financial assets		-	-
	<b>Total Financial Asset</b>		18,701	1,68,660
	(c) Current tax assets (Net)		-	-
	(c) Other current assets		-	-
	<b>Total Current Assets</b>		18,701	1,68,660
(3)	<b>Non current assets classified as held for sale</b>			
	<b>Total Assets</b>		18,701	1,68,660
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital		3,00,000	3,00,000
	(b) Other Equity		(10,61,159)	(8,44,600)
	<b>Total Equity</b>		(7,61,159)	(5,44,600)
(1)	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings		-	-
	(ii) Trade payables		-	-
	(iii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		-	-
	(b) Provisions			
	(c) Deferred tax liabilities (Net)			
	(b) Other non current liabilities			
	<b>Total Non Current Liabilities</b>		-	-
(2)	<b>Current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings			
	(ii) Trade payables		1,20,600	54,000
	(iii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		1,20,600	54,000
	(b) Other current liabilities		5,000	5,000
	(c) Provisions		6,54,260	6,54,260
	(d) Current tax liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		7,79,860	7,13,260
(3)	<b>Liabilities associated with non current assets held for sale</b>			
	<b>Total Equity and Liabilities</b>		18,701	1,68,660
	<b>Significant Accounting Policies</b>	1		
	The accompanying notes form an integral part of the financial statements As per our report of even date attached.			
	For M/s. B. SUJEET & CO., CHARTERED ACCOUNTANTS Firm Registration No. 009308S		For and on behalf of the Board of Directors	
	 B. SUJEET KUMAR Proprietor Membership No. 209547		 R. RAMASWAMY Director DIN - 07737350	 C.S.N. Prasad Director DIN - 07882618
	Place: Hyderabad Date: 29th July, 2020			

**PVP CINEMA PRIVATE LIMITED**  
Corporate Identification Number: U51420TN2004PTC054088  
Statement of Profit and Loss for the Year Ended March 31, 2020

	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations		-	-
II	Other Income		-	-
III	<b>Total Income (I + II)</b>		-	-
IV	<b>Expenses</b>			
	Employee Benefit Expense and Payment to Contractors		-	-
	Finance Costs	8	225.00	225.00
	Depreciation and Amortisation		-	-
	Other Operating and General Expenses	9	80,163	92,960
	<b>Total expenses (IV)</b>		80,388	93,185
V	<b>Profit Before Tax and Exception items (III - IV)</b>		(80,388)	(93,185)
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/(Loss) Before Tax (V - VI)</b>		(80,388)	(93,185)
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		-	-
	<b>Total</b>		-	-
IX	<b>Profit for the year after tax (VII - VIII)</b>		(80,388)	(93,185)
X	<b>Other Comprehensive income, net of tax</b>			
	(A) Items that will not be reclassified subsequently to profit and loss			
	Measurement of Loan		-	-
	Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
	Less :-income tax expense		-	-
	(B) Items that will be reclassified subsequently to profit and loss			
	Currency translation difference (net)		-	-
	<b>Other Comprehensive income for the year, net of tax</b>		-	-
XI	<b>Total Comprehensive Income for the year (IX - X)</b>		(80,388)	(93,185)
XII	<b>Earnings Per Share</b>	10		
	Basic and Diluted - (Rs.)		(2.68)	(3.11)
	Face Value per Ordinary share - (Rs.)		10.00	10.00

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

For and on behalf of the Board of Directors

  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



  
R. RAMASWAMY  
Director  
DIN - 07737350

  
C.S.N. Prasad  
Director  
DIN - 07882618

Place: Hyderabad  
Date: 29th July, 2020

PVP CINEMA PRIVATE LIMITED  
Corporate Identification Number: U51420TN2004PTC054088  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	31-Mar-2020 Rs.	31-Mar-2019 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) before taxation	(80,388)	(93,185)
Adjustments for operating activities :		
Depreciation	-	-
Operating Profit before Working Capital Changes	(80,388)	(93,185)
Adjustments for :		
(Increase)/Decrease in Other Current Assets	-	-
(Increase)/Decrease in Loans and Advances	-	-
Increase/(Decrease) in Current Liabilities & Trade Payable	66,600	(55,000)
Cash generated from operations	(13,788)	(1,48,185)
Income taxes paid		
Net Cash from / (used in) Operating Activities (A)	(13,788)	(1,48,185)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Net cash from / (used in) investing activities (B)	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Equity component of Holding Company	(1,36,171)	1,46,825
Net cash from financing activities (C)	(1,36,171)	1,46,825
Net Increase in Cash and Cash Equivalents (A+B+C)	(1,49,959)	(1,360)
Cash and cash equivalents at the beginning of the year	1,68,660	1,70,020
Cash and cash equivalents at the end of the year	18,701	1,68,660
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	-
Balances with Banks		
-On Current Accounts	18,701	1,68,660
-On Deposit Accounts		
Cash and cash Equivalent (as per Note 2)	18,701	1,68,660

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

As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

For and on behalf of the Board of Directors

*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N. Prasad*

C.S.N. Prasad  
Director  
DIN - 07882618

Place: Hyderabad  
Date: 29th July, 2020

**PVP CINEMA PRIVATE LIMITED**  
Corporate Identification Number: U51420TN2004PTC054088  
Notes to Balance Sheet as at March 31, 2020

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Note: 2 Loans</b>		
<b>Unsecured</b>		
<b>Loan to Related Parties</b>	3,70,00,000	3,70,00,000
Inter corporate loans		-
Less: Provision for Doubtful Advances	(3,70,00,000)	(3,70,00,000)
	<u>-</u>	<u>-</u>
<b>Note: 3 Cash &amp; Cash Equivalents</b>		
Cash in hand (as certified by management)		1,68,660
Balance with banks in current accounts	18,701	
	<u>18,701</u>	<u>1,68,660</u>
<b>Note: 4 Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>		
<b>Authorised Share Capital</b>		
50000 Equity Shares of Rs. 10/- each	5,00,000	5,00,000
<b>Issued, Subscribed and Paid Up</b>		
30000 Equity Shares of Rs. 10/- each	3,00,000	3,00,000
	<u>3,00,000</u>	<u>3,00,000</u>
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
Number of equity shares outstanding as at the beginning of the year	30,000	30,000
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
Number of equity shares outstanding as at the end of the year	<u>30,000</u>	<u>30,000</u>
(C) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates		
Picturehouse Media Limited (and its nominee)		30,000
(D) Shares in the company held by each shareholder holding more than 5%:		
Name of shareholder	<b>No of shares at year end</b>	
Picturehouse Media Limited (and its nominee)	30,000	30,000
	<u>30,000</u>	<u>30,000</u>
Name of shareholder	<b>% as at year end</b>	
Picturehouse Media Limited (and its nominee)	100	100
	<u>100</u>	<u>100</u>
<b>Note: 5 Trade Payables</b>		
Current		
Unsecured		
Sundry Creditors for services	1,20,600	54,000
	<u>1,20,600</u>	<u>54,000</u>
<b>Note: 6 Other Current Liabilities</b>		
Other Payables - TDS Payable	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
<b>Note: 7 PROVISIONS</b>		
<b>Current</b>		
Provision for Income Tax (Net of advance tax of Rs.20 lakhs)	6,54,260	6,54,260
	<u>6,54,260</u>	<u>6,54,260</u>

*Sujeet Kumar*



PVP CINEMA PRIVATE LIMITED  
Corporate Identification Number: U51420TN2004PTC054088  
Statement of Changes in Equity for the Year Ended Mar 31, 2020

Particulars	Equity Share Capital	Reserves & Surplus					Other Comprehensive Income		Equity Component of Holding Company	Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Business Transfer Adjustment Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income		
Balance as on 31st March 2018	3,00,000	-	(5,09,13,579)	-	-	-	-	-	5,00,15,339	(8,98,240)
Transferred to General Reserve	-	-	-	-	-	-	-	-	64,125	64,125
Remeasurement of Loan	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(20,465)	-	-	-	-	-	-	(20,465)
Balance as on 31st March 2019	3,00,000	-	(5,10,06,764)	-	-	-	-	-	5,01,62,164	(8,44,600)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-
Remeasurement of Loan	-	-	-	-	-	-	-	-	(1,36,171)	(1,36,171)
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(80,388)	-	-	-	-	-	-	(80,388)
Balance as on 31st Mar 2020	3,00,000	-	(5,10,87,152)	-	-	-	-	-	5,00,25,993	(10,61,159)

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

As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 009308S



*Sujeet Kumar*  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Hyderabad  
Date: 29th July, 2020

For and on behalf of the Board of Directors

*C.S.N. Prasad*  
C.S.N. Prasad  
Director  
DIN - 07882618

*R. Ramaswamy*  
R. RAMASWAMY  
Director  
DIN - 07737350

PVP CINEMA PRIVATE LIMITED

Corporate Identification Number: U51420TN2004PTC054088

Notes to the Statement of Profit & Loss Account for the Year Ended Mar 31, 2020

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Note: 8 Finance Cost</b>		
Interest on delayed Payment of TDS	225	225
	<u>225</u>	<u>225</u>
<b>Note: 9 Other Expenses</b>		
Rates and taxes	2,800	3,500
Payment to statutory auditors as auditors	59,000	59,000
Legal, professional and consultancy	18,300	28,100
Bank Charges	63	2,360
	<u>80,163</u>	<u>92,960</u>

*Sujeet Kumar*





**NOTE 1: COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Background:** The Company is incorporated in the state of Tamilnadu in 2004. The main objective of the Company is operation of multiplex.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(A) The financial statements of the Company have been prepared in accordance with 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). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 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 accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(B) The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

**(C) Use of Estimates**

The preparation of financial statements in conformity with the Ind AS requires that the management to make estimates, judgements and assumptions. These estimates, judgements, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances

*Sujeet Kumar*



**PVP Cinema Private Limited**

**Corporate Identification Number: U51420TN2004PTC054088**

Notes forming part of the financial statements for the year ended March 31, 2020

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surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the financial statements.

**1.2 Revenue Recognition**

As a consistent practice, the Company recognizes revenue on an accrual basis.

**1.3 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of nature or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**1.4 Borrowing Cost**

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan.

**1.5 Taxes on Income**

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

**1.6 Earnings per Share**

The earnings considered for ascertaining the Company's Earnings per Share comprises the net profit/ (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

*Sujeet Kumar*



**PVP Cinema Private Limited**

**Corporate Identification Number: U51420TN2004PTC054088**

Notes forming part of the financial statements for the year ended March 31, 2020

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**1.7 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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.

*Sujeet Pokharna*



**PVP Cinema Private Limited**

**Corporate Identification Number: U51420TN2004PTC054088**

Notes forming part of the financial statements for the year ended March 31, 2020

**NOTE 9: OTHER ITEMS**

9.1 Borrowings from holding company and other group companies with no specific repayment period and carrying nil rate of interest has been considered as Other Equity.

9.2 **Deferred Tax**

In view of virtual certainty of set off not being there, the Company has not recognized deferred tax asset on carry forward losses on the grounds of prudence.

9.3 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

9.4 **Earnings per Share:**

Particulars	Ref	Year ended March 31, 2020	Year ended March 31, 2019
Profit/ (Loss) after Tax (in Rs.)	A	(80,388)	(93,185)
Number of shares outstanding	B	30,000	30,000
Earnings per share - Basic & Diluted (Rs.)	A/B	(2.68)	(3.11)

9.5 **Related party Disclosures:**

List of related parties where control exists and related parties with whom transactions have taken place and relationships are as follows:


Names of the Related party	Relationship
Picturehouse Media Limited (PML)	Holding Company
PVP Ventures Limited (PVP)	Ultimate Holding Company
Arete Real Estate Developrs Pvt Ltd	Group Company w.e.f 02/06/2018

Transactions with the above Related Parties are as follows:

(In Rs.)

Nature of transactions	Transactions for the year ended		Balance as at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loan taken/(repaid) from Picturehouse Media Limited	(1,36,171)	1,46,825	5,00,25,993	5,01,62,164
Loans Given				
Arete Real Estate Developers Pvt Ltd	Nil	3,70,00,000	3,70,00,000	3,70,00,000

*Sujeet Pokuma*



PVP Cinema Private Limited

Corporate Identification Number: U51420TN2004PTC054088

Notes forming part of the financial statements for the year ended March 31, 2020

Provision for Doubtful Advances				
Arete Real Estate Developers Pvt Ltd	Nil	3,70,00,000	3,70,00,000	3,70,00,000

9.6 The Company has accumulated losses and its net worth is fully eroded. The Company is not undertaking any business, has incurred loss continuously for last few years and the Company's current liabilities exceeded its current asset as at the balance sheet date and the ability of the Company to continue as a going concern depends on support from its Holding Company and other group companies.

9.7 Explanatory notes 1 to 9 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per report of our even date

For M/s. B.SUJEET & CO  
Chartered Accountants  
Firm Reg.No.009308S

For and on behalf of the Board of Directors

*Sujeet Kumar*

B. Sujeet Kumar  
(Proprietor)  
M. No : 209547  
Place: Hyderabad  
Date : 29<sup>th</sup> July, 2020



*R. Ramaswamy*

R. Ramaswamy  
(Director)  
DIN: 07737350

*C.S.N Prasad*

C.S.N Prasad  
(Director)  
DIN: 07882618