



**Picturehouse Media Limited**

To

The BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

May 23, 2022

Security Code BSE – 532355

ISIN NO.INE448B01029

Dear Sir/ Ma'am,

**Sub: Outcome of Meeting of Board of directors under regulation 30, 33 of the SEBI( Listing Obligation and disclosure Requirements) Regulation, 2015.**

Pursuant Regulations 30, 33, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we forward herewith the Audited Financial Results (Consolidated and Standalone) ('Listing Regulations') along with the Audit Reports of the Company in respect of both, for the financial year ended March 31, 2022, which were approved and taken on record by the Board of Directors of the Company at their meeting held today.

Pursuant to Regulation (33)(3)(d) of the Listing Regulations Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 on Standalone and Consolidated Financial Statement is attached herewith.

Kindly note the Board Meeting concluded at **3.45 P.M.**

Yours Faithfully,  
For **Picturehouse Media Limited**

**Derrin Ann George**  
**Company Secretary & Compliance Officer**

**Picturehouse Media Limited.**

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Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571

[info@pvpglobal.com](mailto:info@pvpglobal.com) | [pvpcinema.com](http://pvpcinema.com)

Statement of Standalone Financial Results for the Quarter and Year ended March 31, 2022						
Rs. In lakhs						
	PARTICULARS	Standalone				
		Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1</b>	<b>Income</b>					
	Revenue from operations	1.06	552.00	-	805.53	1.43
	Other Income	(8.23)	5.95	133.66	9.63	137.36
	<b>Total Income (1)</b>	<b>(7.17)</b>	<b>557.95</b>	<b>133.66</b>	<b>815.16</b>	<b>138.79</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of film production expenses	-	260.00	3.03	260.00	3.03
	(b) Purchases of Stock-in-Trade	-	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress	-	-	-	-	-
	(d) Employee benefit expenses	6.59	5.03	9.82	24.94	31.54
	(e) Finance Cost	109.79	24.52	(557.78)	137.35	97.05
	(f) Depreciation and amortization expenses	7.57	7.16	6.70	29.39	33.05
	(g) Others expenses	14.13	52.56	11.20	92.83	59.38
	<b>Total Expenses (2)</b>	<b>138.08</b>	<b>349.27</b>	<b>(527.03)</b>	<b>544.51</b>	<b>224.05</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(145.25)</b>	<b>208.68</b>	<b>660.69</b>	<b>270.65</b>	<b>(85.26)</b>
<b>4</b>	Exceptional items	3,420.08	-	-	3,420.08	
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>(3,565.33)</b>	<b>208.68</b>	<b>660.69</b>	<b>(3,149.43)</b>	<b>(85.26)</b>
<b>6</b>	<b>Tax expense</b>					
	a) Current Tax	(19.30)	19.50	-	0.20	-
	b) Deferred Tax	-	-	-	-	-
	c) Income tax for earlier years	-	-	-	-	-
	<b>Total Tax expense</b>	<b>(19.30)</b>	<b>19.50</b>	<b>-</b>	<b>0.20</b>	<b>-</b>
<b>7</b>	<b>Net Profit for the period/year (5-6)</b>	<b>(3,546.03)</b>	<b>189.18</b>	<b>660.69</b>	<b>(3,149.63)</b>	<b>(85.26)</b>
<b>8</b>	<b>Other Comprehensive Income</b>					
	a) (i) Items that will not be reclassified subsequently to profit and loss					
	Remeasurement of defined benefit obligation	7.86	-	1.30	7.86	1.30
	Less : Income tax expense					
	<b>Total Other Comprehensive Income (8)</b>	<b>7.86</b>	<b>-</b>	<b>1.30</b>	<b>7.86</b>	<b>1.30</b>
<b>9</b>	<b>Total Comprehensive Income (7+8)</b>	<b>(3,538.17)</b>	<b>189.18</b>	<b>661.99</b>	<b>(3,141.77)</b>	<b>(83.96)</b>
<b>10</b>	Paid-up equity share capital (Face Value of Rs. 10/- each)	5,225.00	5,225.00	5,225.00	5,225.00	5,225.00
<b>11</b>	Reserves excluding revaluation reserve				(7,257.96)	(4,116.19)
<b>12</b>	<b>Earnings per share (not annualised)</b>					
	(a) Basic (in Rs.)	(6.79)	0.36	1.26	(6.03)	(0.16)
	(b) Diluted (in Rs.)	(6.79)	0.36	1.26	(6.03)	(0.16)

PICTUREHOUSE MEDIA LIMITED			
STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022			
			(Rs. in Lakhs)
	Particulars	As at Mar 31, 2022	As at Mar 31, 2021
		Audited	Audited
<b>I</b>	<b>ASSETS</b>		
<b>(1)</b>	<b>Non Current Assets</b>		
	(a) Property, Plant and Equipment	16.15	25.06
	(b) Right to use of Asset	27.84	50.62
	(c) Financial Assets		
	(i) Investments	2,521.74	2,526.76
	(ii) Loans	10.72	10.23
	(d) Other non current assets	93.10	93.10
	<b>Total Non Current Assets - (1)</b>	<b>2,669.55</b>	<b>2,705.77</b>
<b>(2)</b>	<b>Current assets</b>		
	(a) Inventories	3,861.90	4,955.64
	(b) Financial Assets		
	(i) Trade receivables	0.95	8.52
	(ii) Loans	3.92	15.78
	(iii) Cash and cash equivalents	1,123.20	2,593.42
	(iv) Other financial assets	509.94	1,336.23
	(c) Current tax asset	55.15	-
	(d) Other current assets	63.13	114.08
	<b>Total Current Assets - (2)</b>	<b>5,618.19</b>	<b>9,023.67</b>
	<b>Total Assets - (3)=(1)+(2)</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	5,225.00	5,225.00
	(b) Other Equity	(7,257.96)	(4,116.19)
	<b>Total Equity - (4)</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	7,284.41	7,138.11
	(ia) Lease Liabilities	17.81	-
	<b>Total Financial Liabilities</b>	<b>7,302.22</b>	<b>7,138.11</b>
	(b) Provisions	6.41	12.82
	(c) Deferred tax liabilities (Net)	-	-
	<b>Total Non Current Liabilities - (5)</b>	<b>7,308.63</b>	<b>7,150.93</b>
<b>(2)</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	-	-
	(ia) Lease Liabilities	12.46	53.06
	(ii) Trade payables		
	Total outstanding dues to Micro enterprises and small enterprises		
	Total Outstanding dues to creditors other than Micro enterprises and small enterprises	49.16	32.34
	(iii) Other financial liabilities	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	857.66	766.46
	(c) Provisions	-	-
	<b>Total Current Liabilities - (6)</b>	<b>3,012.07</b>	<b>3,469.70</b>
	<b>Total Equity and Liabilities - (7)=(4)+(5)+(6)</b>	<b>8,287.74</b>	<b>11,729.44</b>

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Potluri

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PICTUREHOUSE MEDIA LIMITED			
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022			
(Prepared using Indirect Method)			(Rs. in Lakhs)
	Particulars	As at	As at
		March 31, 2022	March 31, 2021
		Audited	Audited
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before Tax	(3,149.43)	(85.26)
	<b>Adjustments for:</b>		
	Exceptional item	3,420.08	-
	Depreciation and Amortization	29.39	33.05
	(Profit) / Loss on sale of asset (net)	0.08	(2.67)
	Asset written off	2.67	-
	Unrealised (Gain) / loss on Foreign Exchange Fluctuations (Net)	-	-
	Gain on sale of fund	(0.11)	-
	Fair Value of investments through Profit and Loss	-	(0.26)
	Payable written up	-	(108.64)
	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)
	Sundry creditors written up	(4.42)	(3.22)
	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>
	<b>Movement In Working Capital</b>		
	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</b>	<b>(A) (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 asset	-	2.84
	Proceeds from Mutual Fund	5.14	-
	Investments in / advance to subsidiary companies	(0.21)	0.11
	Interest Income Received	-	-
	<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>(B) 114.89</b>	<b>(259.52)</b>
<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</b>	<b>(C) 82.23</b>	<b>(223.36)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C) (11.86)</b>	<b>12.16</b>
	Cash and Cash Equivalents at the beginning of the year	15.78	3.62
	Cash and Cash Equivalents at the end of the year	<b>3.92</b>	<b>15.78</b>
	<b>Components of Cash and Cash Equivalents</b>		
	Cash in Hand	-	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>

## NOTES TO STANDALONE AUDITED FINANCIAL RESULTS

1. The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed under section 133 of the Companies Act, 2013.
2. The above unaudited standalone financial results for the quarter & year ended March 31, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on May 23, 2022. These above results have been subjected to audit by the statutory auditors of the company.
3. Advances made for film production (including interest accrued of Rs. 509.94 lakhs) aggregates to Rs.1,633.14 lakhs. The Board is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board does not foresee any erosion in carrying value. The auditors have, however, drawn a qualified conclusion in this regard.
4. Expenditure on films under production amounting to Rs. 3,861.90 lakhs mainly comprises of payments to artistes and co-producers. The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value. The auditors have, however, drawn a qualified conclusion in respect of inventories costing Rs. 2852.12 lakhs.
5. PVP Capital Limited, Chennai ('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). The outstanding amount is Rs.23,856.85 lakhs (including interest accrued) as per the books of accounts as on March 31, 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. 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 has to be remitted by September 14, 2022.

6. PVPCL has also not remitted the statutory dues to the Government. PVPCL has not maintained minimum net owned funds of Rs. 200 Lakhs as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its registration as non-banking finance company. However, the Board of Picturehouse Media Limited is of considered opinion that the carrying amount of investment in PVPCL viz. Rs. 2,521.74 lakhs does not require a write down considering its future cash flows and possibility of recovering its dues from its borrowers. The auditor has, however, drawn qualified conclusion in this regard.
7. As on March 31, 2022, the company has a negative net worth of Rs. 2032.96 lakhs. Even though, the company is incurring continuous losses, it has succeeded in reducing its operating cost. 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 as the Company has got future to improve its revenue. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, the company intends to strategically merge with its holding company which will create positive synergy in future. The standalone financial results have been prepared on a going concern basis based on cumulative input of the available movie projects in pipeline and risk mitigating factors. The statutory auditors, however, have drawn qualified conclusion in this regard.

8. The reporting entity i.e., Picturehouse Media Limited, 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. The ultimate parent company 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 auditors have drawn an emphasis of matter in this regard.
9. The Board is of the considered view that production of movies and financing of movie production is one single operation. Hence segment reporting as required under Ind AS 108 is not applicable.
10. During the financial year 2021-2022 the company engaged itself in production of three numbers of film and the cost of which is included in inventory viz. film production – in – progress.
11. The figures for the quarter ended March 31, 2021 and March 31, 2022 are the balancing figure between the audited figures in respect of full financial year ended March 31, 2021 and March 31, 2022 and the published unaudited figures up to the third quarter of the year ended March 31, 2021 and March 31, 2022 respectively.
12. Exceptional items represents the following:
  - a) Write down of inventories – Rs. 1,267.90 lakhs
  - b) Provision for doubtful advances – Rs. 2,152.18 lakhs
13. These results are also available at the website of the company [www.pvpcinema.com](http://www.pvpcinema.com) and [www.bseindia.com](http://www.bseindia.com)

### **For PictureHouse Media Limited**

Prasad Veera Potluri  
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**Prasad V Potluri**  
**Managing Director**  
**DIN 00179175**

## SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS  
23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

### Independent Auditor's Report on standalone audited financial results of Picturehouse Media Limited, Chennai for the year ended March 31, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
Picturehouse Media Limited, Chennai.

#### **Report on the audit of the Standalone Financial Results**

#### **Qualified Opinion**

We have audited the accompanying annual standalone financial results (including statement of assets and liabilities, statement of cash flow and notes thereon) of Picturehouse Media Limited, Chennai (the company) for the year ended March 31, 2022 ("the Statement"), attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing regulations in this regard; and
- ii. *except for the possible effect of the matter described in Basis of Qualified Opinion paragraph below and inadequate disclosure of "Material uncertainty Related to Going Concern" referred to in the that paragraph, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally*



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accepted in India of the net loss and other comprehensive income and other financial information for the year ended March 31, 2022.

#### **Basis for Qualified Opinion**

- 1. Attention is invited to note no. 3 to the Statement, 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 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 are 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. 4 to the Statement, 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 Management the film production is under progress with respect to production of 3 movies costing Rs 1,009.78 lakhs. In respect of the balance inventory of Rs 2,852.12 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the*





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*confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2,852.12 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. Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL) (note no. 5 to the Statement)**

*The subsidiary's networth stands at Rs. 23,060.73 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.*

**4. Attention is invited to note no. 6 to the Statement, 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. 2,032.96 lakhs). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraphs, 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*



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*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 Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 results under the provisions of the Companies Act, 2013 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**

1. The reporting entity 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 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



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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.

2. Our report on the statement shall be read along with our report to the Members of the company.

Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the annual standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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



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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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual standalone financial results, the Board of Directors are 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 Board of Directors 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 Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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



## SUNDARAM & SRINIVASAN

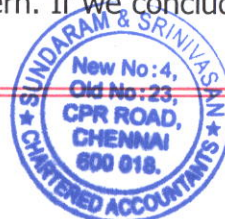
CHARTERED ACCOUNTANTS  
23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

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or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual standalone financial results.

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 financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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



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uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 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 annual standalone financial results, including the disclosures, and whether the financial results 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.



(P.T.O)

**SUNDARAM & SRINIVASAN**

CHARTERED ACCOUNTANTS  
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**Other Matters**

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Sundaram & Srinivasan,  
Chartered Accountants  
Firm's Registration Number: 004207S



*S. Venkata Subramanian*  
*23/05/2022*

Venkatasubramanian.S  
Partner  
Membership no.: 219238  
ICAI UDIN: 22219238AJKNQK5956

Place: Chennai  
Dated: May 23, 2022

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 on Standalone Financial Statement**

S.No	Particulars	Audited Figures in lakhs (as reported before adjusting for qualifications)	Adjusted Figures in lakhs (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	815.16	815.16
2.	Total Expenditure	544.51	544.51
3.	Net Profit/(Loss)	-3149.43	-3149.43
4.	Earnings per share (in Rs.)	-6.03	-6.03
5.	Total Assets	8,287.74	8,287.74
6.	Total Liabilities	10,320.70	10,320.70
7.	Net Worth	-20,32.96	-20,32.96
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

S.No	1
Details of Audit Qualification	Attention is invited to note no. 3 to the Statement, 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 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 are 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.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	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.
Auditors Comments	No further comments
S.No	2
Details of Audit Qualification	Attention is invited to note no. 4 to the Statement, 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 Management the film production is under progress with respect to production of 3 movies costing Rs 1,009.78 lakhs. In respect of the balance inventory of Rs 2,852.12 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 2,852.12 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.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	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
Auditors Comments	No further comments
S.No	3
Details of Audit Qualification	Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL) (note no. 5 to the Statement) The subsidiary's networth stands at Rs. 23,060.73 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.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	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
Auditors Comments	No further comments
S.No	4
Details of Audit Qualification	Attention is invited to note no. 6 to the Statement, 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. 2,032.96 lakhs). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraphs, 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 re-determined. We are, however, unable to express our view whether the preparation of financial results on a going concern basis is correct or not.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	Even though, 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.
Auditors Comments	No further comments

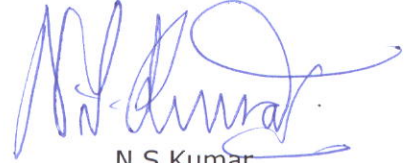
Prasad  
Veera  
Potluri

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Prasad Veera Potluri  
Date: 2022.05.23  
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Prasad V. Potluri  
Managing Director



A. Praveen Kumar  
Chief Financial Officer



N S Kumar  
Audit Committee Chairman

For Sundaram & Srinivasan  
Chartered Accountants  
Firm's Registration  
Number: 004207S

*S. Venkata Subramanian*  
*23/05/2022*

Venkatasubramanian.S  
Partner  
Membership no.219238

Date : May 23, 2022  
Place : Chennai

Picturehouse Media Limited					
Registered Office: Door No. 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai-600031 Web: www.pvpcinema.com					
CIN:L92191TN2000PLC044077					
Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2022					
					Rs. In lakhs
PARTICULARS	Consolidated				
	Quarter ended			Year ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1</b>	<b>Income</b>				
	Revenue from operations	801.06	552.00	-	1,605.53
	Other Income	(8.23)	5.95	133.66	9.63
	<b>Total Income (1)</b>	<b>792.83</b>	<b>557.95</b>	<b>133.66</b>	<b>1,615.16</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of film production expenses	800.00	260.00	3.03	1,060.00
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefit expenses	11.36	9.91	11.25	42.45
	(e) Finance Cost	1,121.99	1,014.14	290.82	3,992.33
	(f) Depreciation and amortization expenses	7.72	7.31	6.86	29.97
	(g) Others expenses	74.67	54.94	13.45	159.45
	(h) Impairment of financial instruments	(1,118.69)	372.90	372.90	-
	<b>Total Expenses (2)</b>	<b>897.05</b>	<b>1,719.20</b>	<b>698.31</b>	<b>5,284.20</b>
<b>3</b>	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(104.22)</b>	<b>(1,161.25)</b>	<b>(564.65)</b>	<b>(3,669.04)</b>
<b>4</b>	<b>Exceptional items</b>	<b>3,420.08</b>	<b>-</b>	<b>-</b>	<b>3,420.08</b>
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>(3,524.30)</b>	<b>(1,161.25)</b>	<b>(564.65)</b>	<b>(7,089.12)</b>
<b>6</b>	<b>Tax expense</b>				
	a) Current Tax	(19.30)	19.50	-	0.20
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	-	-	-
	<b>Total Tax expense</b>	<b>(19.30)</b>	<b>19.50</b>	<b>-</b>	<b>0.20</b>
<b>7</b>	<b>Net Profit for the period/year (5-6)</b>	<b>(3,505.00)</b>	<b>(1,180.75)</b>	<b>(564.65)</b>	<b>(7,089.32)</b>
<b>8</b>	<b>Other Comprehensive Income</b>				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	7.86	-	2.63	7.86
	Less : Income tax expense				
	<b>Total Other Comprehensive Income (8)</b>	<b>7.86</b>	<b>-</b>	<b>2.63</b>	<b>7.86</b>
<b>9</b>	<b>Total Comprehensive Income (7+8)</b>	<b>(3,497.14)</b>	<b>(1,180.75)</b>	<b>(562.02)</b>	<b>(7,081.46)</b>
<b>10</b>	<b>Paid-up equity share capital (Face Value of Rs. 10/- each)</b>	<b>5,225.00</b>	<b>5,225.00</b>	<b>5,225.00</b>	<b>5,225.00</b>
<b>11</b>	<b>Reserve excluding revaluation reserve</b>				<b>(32,859.75)</b>
<b>12</b>	<b>Earnings per share (not annualised)</b>				
	(a) Basic (in Rs.)	(6.71)	(2.26)	(1.08)	(13.57)
	(b) Diluted (in Rs.)	(6.71)	(2.26)	(1.08)	(13.57)

PICTUREHOUSE MEDIA LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022			
			(Rs. in Lakhs)
Particulars		As at Mar 31, 2022	As at Mar 31, 2021
		Audited	Audited
I	ASSETS		
(1)	Non Current Assets		
	(a) Property, Plant and Equipment	119.99	129.46
	(b) Right to use of Asset	27.84	50.62
	(c) Financial Assets		
	(i) Investments	-	5.02
	(ii) Loans	10.72	10.23
	(d) Deferred tax assets (net)	0	0
	(e) Other non current assets	93.1	93.1
	Total Non Current Assets - (1)	251.65	288.43
(2)	Current assets		
	(a) Inventories	3861.9	4955.64
	(b) Financial Assets		
	(i) Trade receivables	144.95	8.52
	(ii) Cash and cash equivalents	4.26	16.1
	(iii) Bank balance other than (ii) above	900	0
	(iv) Loans	1814.79	4085
	(v) Other financial assets	509.94	1336.23
	(c) Current tax asset	55.15	0
	(d) Other current assets	63.82	114.08
	Total Current Assets - (2)	7354.81	10515.57
	Total Assets - (3)=(1)+(2)	7606.46	10804
II	EQUITY AND LIABILITIES		
A	EQUITY		
	(a) Equity Share Capital	5225	5225
	(b) Other Equity	-32859.75	-25778.29
	Total Equity - (4)	-27634.75	-20553.29
B	LIABILITIES		
(1)	Non Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	7284.41	7138.11
	(ia) Lease Liabilities	17.81	
	(b) Provisions	6.41	12.82
	Total Non Current Liabilities - (5)	7308.63	7150.93
(2)	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	11807	11306.69
	(ia) Lease Liabilities	12.46	53.06
	(ii) Trade payables		
	Total outstanding dues to Micro enterprises and small enterprises		
	Total Outstanding dues to creditors other than Micro enterprises and small e	58.63	40.3
	(iii) Other financial liabilities	13858.3	10855.38
	(b) Other Current Liabilities	1047.44	812.97
	(c) Provision	1148.75	1137.96
	Total Current Liabilities - (6)	27932.58	24206.36
	Total Equity and Liabilities - (7)=(4)+(5)+(6)	7606.46	10804

PICTUREHOUSE MEDIA LIMITED			
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022			
	(Prepared using Indirect Method)		(Rs. in Lakhs)
	Particulars	As at March 31, 2022	As at March 31, 2021
		Audited	Audited
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit / (Loss) before Tax	(7,089.12)	(4,803.47)
	<b>Adjustments for:</b>		
	Exceptional item	3,420.08	
	Depreciation and Amortization	29.97	33.63
	(Profit) / Loss on sale of asset (Net)	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)
	Asset written off	2.67	-
	Contingent provision on sub-standard assets	-	1,491.59
	Provision for Employee Benefits	(1.44)	(6.82)
	Interest Income	-	-
	Interest Expenses	3,891.16	3,214.54
	Tax relating to earlier years	-	-
	<b>Cash Generated Before Working Capital Changes</b>	<b>244.22</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 Provision	10.80	-
	Increase / (Decrease) in Short Term Provision	1.44	-
	<b>Cash Generated From Operations</b>	<b>(654.12)</b>	<b>101.43</b>
	Direct Taxes Refund		393.01
	Direct Taxes Paid	(55.35)	-
	Interest Expenses paid of financing activities		-
	<b>Net Cash Flow From / (Used in) Operating Activities</b>	<b>(A)</b>	<b>(709.47)</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 Finance	109.96	(262.47)
	Proceeds from Sale of PPE, Intangible Assets and Investment Property	-	2.84
	Investments/advance in Subsidiaries	-	-
	Proceeds from Mutual Fund	5.14	-
	Interest Income Received		-
	<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>(B)</b>	<b>115.10</b>
<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
	Proceeds from Holding Company	104.04	
	Repayment of Long Term Borrowings	-	-
	Interest Paid		-
	<b>Net Cash Flow From / (Used in) Financing Activities</b>	<b>(C)</b>	<b>582.53</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<b>12.17</b>
	Cash and Cash Equivalents at the beginning of the year	16.10	3.93
	Cash and Cash Equivalents at the end of the year	<b>4.26</b>	<b>16.10</b>
	<b>Components of Cash and Cash Equivalents</b>		
	Cash in Hand	-	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>

## NOTES TO CONSOLIDATED AUDITED FINANCIAL RESULTS

1. Advances made by the parent company i.e. Picturehouse Media Limited, Chennai include advances made for film production (including interest accrued of Rs. 509.94 lakhs) is aggregating to Rs.1,633.14 lakhs. The Board of the parent company is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board of the parent company does not foresee any erosion in carrying value. The auditors have, however, drawn qualified conclusion in this regard.
2. The current assets of the Group include Expenditure on films under production amounting to Rs. 3,861.90 lakhs mainly comprise of payments to artistes and co-producers. The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the parent company is confident of realising the entire value of 'expenditure on films under production'. The management of the parent company does not foresee any erosion in carrying value. The auditors have drawn qualified conclusion in respect of inventories costing Rs. 2852.12 lakhs.
3. 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 March 31, 2022.

The bank has taken 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. 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.9,500 lakhs as OTS. PVPCL has remitted Rs. 900 lakhs and the balance of Rs. 8,600 lakhs has to be remitted by September 14, 2022. PVPCL has also not remitted the statutory dues to the Government. PVPCL has not maintained minimum net owned funds of Rs. 200 Lakhs as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its registration as non-banking finance company. The Board of PVPCL is of the view that its ability to continue as a going concern is not affected. The statutory auditors of PVPCL have, however, furnished a qualified conclusion in this regard.

4. PVP Capital Limited (PVPCL) has made a loan 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. PVPCL's Board is of the opinion that no adjustment to the carrying value is required as it is confident of recovery from the borrowers. The statutory auditors of PVPCL, however, has drawn a qualified conclusion in this regard.
5. As on March 31, 2022, the group has a negative net worth of Rs. 27,634.75 lakhs. Even though the group is incurring continuous losses and negative net worth, the group has succeeded to a larger extent, in reducing the operating cost. 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 improve its Revenue. The Group has paid advance amounts to the artists and technicians for the future movies production which is shown under Inventory. Further, the Group intends to strategically merge with its ultimate parent company which will create positive synergy in future. The consolidated financial results have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors that are given effect to. The statutory auditors of the parent company, however, have drawn qualified conclusion in this regard.

6. The parent company i.e., Picturehouse Media Limited, 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. The ultimate parent company 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 auditors have drawn an emphasis of matter in this regard.
7. The Board of the parent company is of the considered view that production of movies and financing of movie production and Movie Financing is one single operation. Hence segment reporting as required under Ind AS 108 is not applicable.
8. The above audited consolidated financial results for the quarter and year ended March 31, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on May 23, 2022. These above results have been subjected to audit by the statutory auditors of the company.
9. The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed under section 133 of the Companies Act, 2013.
10. The figures for the quarter ended March 31, 2021 and March 31, 2022 are the balancing figure between the audited figures in respect of full financial year ended March 31, 2021 and March 31, 2022 and the published unaudited figures up to the third quarter of the year ended March 31, 2021 and March 31, 2022 respectively.
11. Exceptional items represents the following:
  - (i) Write down of inventories – Rs. 1,267.90 lakhs
  - (ii) Provision for doubtful advances – Rs. 2,152.18 lakhs
12. These results are also available at the website of the company [www.pvpcinema.com](http://www.pvpcinema.com) and [www.bseindia.com](http://www.bseindia.com).

#### **For PictureHouse Media Limited**

Prasad Veera  
Potluri

Digitally signed by Prasad Veera  
Potluri  
Date: 2022.05.23 15:24:29 +05'30'

**Prasad V Potluri**  
**Managing Director**  
**DIN 00179175**



# SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS  
23, C.P. RAMASWAMY ROAD,  
ALWARPET, CHENNAI - 600 018.

## Independent Auditor's Report on consolidated audited financial results of Picturehouse Media Limited, Chennai for the year ended March 31, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
Picturehouse Media Limited, Chennai.

### Report on the audit of the Consolidated Financial Results

#### Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results (including statement of assets and liabilities, statement of cash flow and notes thereon) of Picturehouse Media Limited, Chennai. ("Holding company") and its two subsidiaries (holding company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2022 ("the Statement"), being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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 reports of the other auditors on separate financial statements / financial information of subsidiaries, the Statement:

a. includes the results of the following entities:

Si. No	Name of the Entity	Relationship
1	PVP Capital Limited, Chennai	Wholly Owned Subsidiary
2	PVP Cinema Private Limited, Chennai	Wholly Owned Subsidiary



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- b. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c. *except for the possible effect of the matter described in Basis of Qualified Opinion paragraph below and inadequate disclosure of "Material uncertainty Related to Going Concern" referred to in the that paragraph, gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net loss and other comprehensive income and other financial information for the year ended March 31, 2022.*

### **Basis for Qualified Opinion**

1. *Attention is invited to note no. 1 to the Statement, 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 are 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.*



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2. Attention is invited to note no. 2 to the Statement, 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 Management 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.

3. Attention is invited to note no. 5 to the consolidated financial results, in relation to preparation of consolidated financial results on "Going Concern Basis".

While the net worth has completely eroded 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 results 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 results on a going concern assumption is appropriate or not.



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4. *The independent auditor of subsidiary company viz. PVP Capital Limited has drawn Qualified conclusion. The same is reproduced by us as under:*
- 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-*



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*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.*

5. *The independent auditor of both the subsidiaries has drawn a qualified conclusion with respect to internal financial control over financial reporting.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, 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



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provisions of the Companies Act, 2013 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 obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

**Emphasis of Matter**

1. 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.

2. Our report on the statement shall be read along with our report to the Members of the company.

Our opinion is not modified in respect of this matter.



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### Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have



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been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 respective 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.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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





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economic decisions of users taken on the basis of these consolidated financial results.

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 consolidated financial results, 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 (through a separate report) 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 the Board of Directors.



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- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group 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 consolidated financial results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated



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Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

1. The consolidated Financial Results include the audited Financial Results of two subsidiaries, whose Financial Results reflect Group's share of total assets



**SUNDARAM & SRINIVASAN**

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of Rs. 3,933.22 lakhs as at March 31, 2022, Group's share of revenue of Rs. 800 lakhs and Rs. 800 lakhs, Group's share of total net profit / (loss) after tax of Rs. 41.05 lakhs and Rs. 3,939.90 lakhs (loss) and Group's share of total comprehensive income / (loss) of Rs. 41.05 lakhs and Rs. 3,939.90 lakhs (loss) for the quarter and year ended March 31, 2022 respectively and Rs.0.00 lakhs, (Rs. 882/-) net cash inflow for the year ended March 31, 2022 as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our conclusion is not modified in respect of the above said matters for the purpose of our opinion on the Statement.



**SUNDARAM & SRINIVASAN**

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Requirements) Regulations, 2015

2. The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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



Place: Chennai  
Date : May 23, 2022

*S. Venkata Subramanian*  
*23/05/2022*

Venkatasubramanian.S  
Partner

Membership number : 219238  
ICAI UDIN: 22219238AJKNUT9541

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 on Consolidated Financial Statement**

S.No	Particulars	Audited Figures in lakhs (as reported before adjusting for qualifications)	Adjusted Figures in lakhs (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	1,615.16	1,615.16
2.	Total Expenditure	5,284.20	5,284.20
3.	Net Profit/(Loss) after tax	-7,089.32	-7,089.32
4.	Earnings per share (in Rs.)	-13.57	-13.57
5.	Total Assets	7,606.46	7,606.46
6.	Total Liabilities	35,241.21	35,241.21
7.	Net Worth	-27,634.75	-27,634.75
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

S.No	1
Details of Audit Qualification	Attention is invited to note no. 1 to the Statement, 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 are 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.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	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.
Auditors Comments	No further comments
S.No	2
Details of Audit Qualification	Attention is invited to note no. 2 to the Statement, 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 Management 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.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	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.
Auditors Comments	No further comments
S.No	3
Details of Audit Qualification	Attention is invited to note no. 5 to the consolidated financial results, in relation to preparation of consolidated financial results on "Going Concern Basis". While the net worth has completely eroded 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 results 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 results on a going concern assumption is appropriate or not.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	Even though, 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.
Auditors Comments	No further comments
S.No	4
Details of Audit Qualification	<p>The independent auditor of subsidiary company viz. PVP Capital Limited has drawn Qualified conclusion. The same is reproduced by us as under:</p> <p>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</p>



	<p>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.</p> <p>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 visible 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.</p>
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fourth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	<p>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</p> <p>Management has evaluating the action plans to realize the dues to the company and settlement the existing vendors, further company can carry the</p>

	movie financing business after taking necessary approvals from the RBI. Hence management is of the view that the financial statements shall continue to be prepared on the assumption that the company is a going concern.
Auditors Comments	No further comments
S.No	5
Details of Audit Qualification	The independent auditor of both the subsidiaries has drawn a qualified conclusion with respect to internal financial control over financial reporting
Type of Qualification	Qualified Opinion
Frequency of Qualification	Second time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	
If management is unable to estimate the impact, reasons for the same	The management is taking all necessary steps to strengthen the internal control frame work
Auditors Comments	No further comment

Prasad Veera Potluri  
Digitally signed by Prasad Veera Potluri  
Date: 2022.05.23  
13:29:18 +05'30'

Prasad V. Potluri  
Managing Director



A. Praveen Kumar  
Chief Financial Officer



N S Kumar  
Audit Committee Chairman

For Sundaram & Srinivasan  
Chartered Accountants  
Firm's Registration  
Number: 004207S

*V Venkata Subramanian*  
*23/05/2022*

Venkatasubramanian.S  
Partner  
Membership no.219238

Date : May 23, 2022  
Place : Chennai