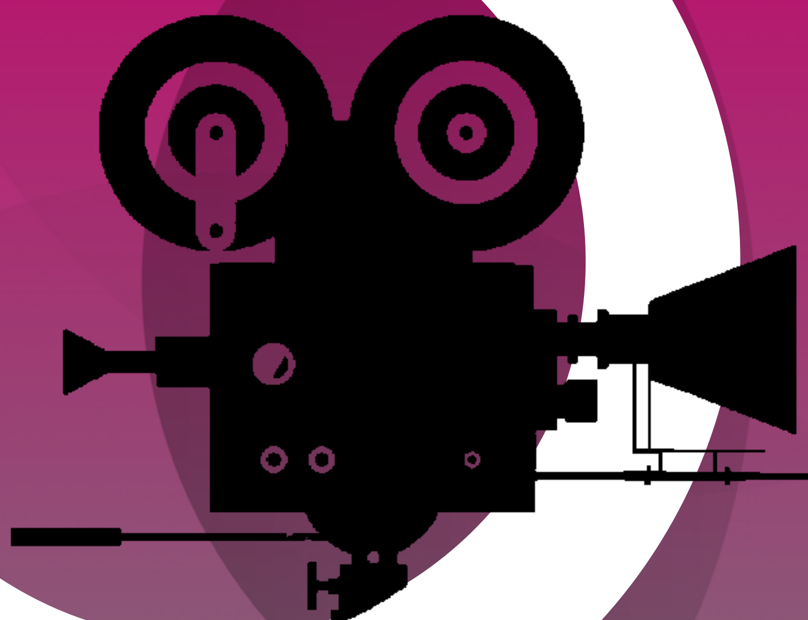
PICTUREHOUSE MEDIA LIMITED

CIN: L92191TN2000PLC044077



ANNUAL REPORT 2020-21

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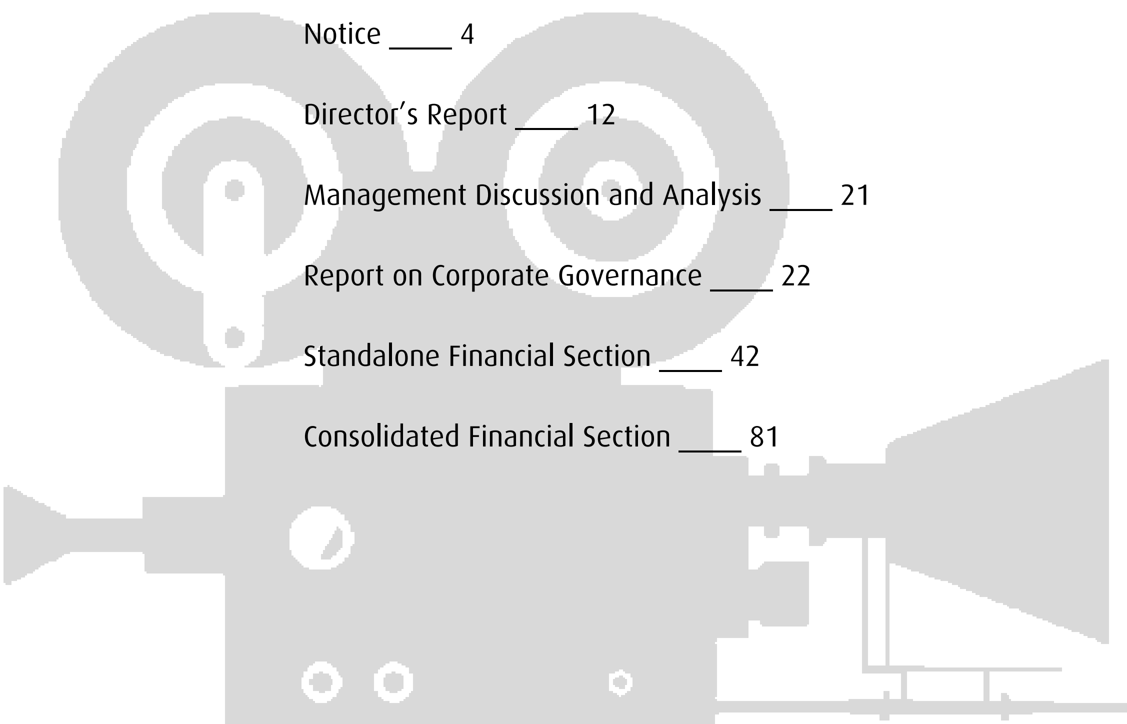


Managing Director's message

Dear Shareholders,

In this time of crisis, I hope you and your family are safe. The recent crisis has pushed the boundaries of every individual and business to acknowledge the disruption and exhibit responsiveness at all levels. During these unusual times, your Company has faced the challenge of the pandemic by immediately mobilizing efforts to protect employees and our immediate communities. At this point, a new normal in day-to-day activities has been put in place to operationalize the activities in the Company. I take this opportunity to thank the teams for their adaptability and resilience. As we acknowledge that the pandemic has impacted the economic activity, we are also resolute in emerging stronger from this challenge.

Emerging consumption pattern of media amongst the Indian consumer has been key driver of growth of the Indian Media and Entertainment industry. Demand for content has peaked with the deepening penetration of various OTT platforms aligned with the increasing data consumption across India. In line, Indian Film Industry has also continued to dominate as world leader in terms of the movies produced and tickets sold.

During the year, your company has planned to release a few telugu movies, however could not achieve the same due complete restrictions on Movie Industry. After the release of the lockdown your Company is in the process of making a Telugu dubbed movie which is expected to release this year.

Your company had also been actively pursuing opportunities by acquiring Telugu remake rights of other regional language films and is planning to release them after careful evaluation of the readiness of the distribution channels, to maximize revenues for the company.

Going forward, we expect the immediate economic conditions to present newer challenges and your company continues its cautious tread in evaluating special situations with innovative content and secured distribution channels. We are also strategizing various emerging opportunities from digital distribution platforms and shall endeavor to make the best use of them.

Best Regards,

Sd/-
Prasad V. Potluri
Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prasad V. Potluri	–	Managing Director
Mr. Narayanaswamy Seshadri Kumar (N.S. Kumar)	–	Independent Director
Mr. Sohrab Chinoy Kersasp	–	Independent Director
Mr. Nandakumar Subburaman	–	Independent Director
Mrs. Poonamallee Jayavelu Bhavani (P J Bhavani)	–	Non-Executive and Non-Independent Director (Woman)

BOARD COMMITTEES

Audit Committee

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

Stakeholders Relationship Committee

Mr. Sohrab Chinoy Kersasp – Chairman (w.e.f. 06-11-2020)
Mr. N. S. Kumar – Member (w.e.f. 06-11-2020)
Mr. Prasad V. Potluri – Member

*Mr. N S Kumar - Chairman till 05-11-2020
Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

Nomination and Remuneration Committee

Mr. Sohrab Chinoy Kersasp – Chairman (w.e.f. 06-11-2020)
Mr. N. S. Kumar – Member (w.e.f. 06-11-2020)
Mrs. PJ Bhavani – Member

*Mr. N S Kumar - Chairman till 05-11-2020
Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

Corporate Social Responsibility ommittee

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

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Prasad V. Potluri – Managing Director
Mr. A. Praveen Kumar – Chief Financial Officer
Mr. Saiteja Ivaturi – Company Secretary & Compliance Officer

STATUTORY AUDITORS

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

BANKERS

Kotak Mahindra Bank Limited
HDFC Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

4th Floor, Punnaiah Plaza
Plot No. 83 and 84, Road No. 02
Banjara Hills, Hyderabad 500 034
T +91 40 6730 9999
F +91 40 6730 9988

STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited

REGISTRAR AND SHARE TRANSFER AGENTS

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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22nd ANNUAL GENERAL MEETING OF THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED "COMPANY" WILL BE HELD ON MONDAY, 27th DAY OF SEPTEMBER, 2021 AT 12.00 NOON. THROUGH VIRTUAL CONFERENCE/OTHER AUDIO VIDEO MEDIA (OAVM) TO TRANSACT THE FOLLOWING BUSINESS. THE VENUE OF MEETING SHALL BE DEEMED TO BE THE REGISTER OFFICE AT KRM CENTRE, 9TH FLOOR, DOOR NO. 2 HARRINGTON ROAD, CHETPET – 600031, TAMILNADU

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.

2. APPOINTMENT OF MRS. POONAMALLEE JAYAVELU BHAVANI (DIN: 08294839), LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mrs. Poonamallee Jayavelu Bhavani (DIN: 08294839), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible offers herself for re-appointment

SPECIAL BUSINESS:

3. TO RE-APPOINT MR. PRASAD V. POTLURI AS MANAGING DIRECTOR (DIN: 00179175) OF THE COMPANY

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

"RESOLVED THAT pursuant to provisions of Sections 178, 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force), the consent of the members, be and is hereby, accorded for the re-appointment of Mr. Prasad V. Potluri as Managing Director of the Company for a period of five years from 11th August 2021 to 10th August, 2026 without any remuneration.

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

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

Sd/-
Saiteja Ivaturi
Company Secretary & Compliance officer

Place: Chennai
Date : August 11, 2021

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th, May, 2020 and 13th January, 2021 vide General Circular No. 02/2021 read together with circulars (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

   KFin Technologies Private Limited, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") shall be providing facility for remote e-voting, facility for participation in the AGM through VC/OAVM and e-voting during the AGM. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-serve basis.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on resolution(s) by poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3. Members attending the AGM through VC/OAVM will be reckoned for the purpose of quorum under Section 103 of the Act.

4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Upto 1000 members will be able to join on FIFO basis to the e-AGM.

6. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 24th September, 2021 to Monday 27th September, 2021 (both days inclusive) for the purpose of Annual General Meeting.

8. Dispatch of Annual Report through electronic mode:

   In accordance with the MCA General Circular No. 02/2021 dated 13th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the financial year ended 31st March, 2021 pursuant to Section 136 of the Act and Notice calling the Annual General Meeting pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ Cameo Corporate Services Limited or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. A copy of the Notice of this AGM along with Annual Report for the Financial Year 2020-2021 is available on the website of the Company at www.pvpcinema.com, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited at www.bseindia.com and on the website of KFin at https://evoting.karvy.com.

9. Members are requested to register/update their email addresses for receiving all communications (including Annual Report) from the Company electronically:

   a) Members holding shares in physical form and who have not registered / updated their email addresses with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at ir.telephoto@pvpglobal.com or to cameo@cameoindia.com.

   b) Members holding shares in dematerialised form are requested to register / update their email addresses with the relevant Depository Participant.

10. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

11. In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

NOTES FOR E-AGM and E-VOTING:

1) Your Company is availing the service of KFin Technologies Private Limited for facilitating E-AGM and E-Voting

2) Generally, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.

3) Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf. The documents should be emailed to ir.telephoto@pvpglobal.com.

4) **DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:**

   1. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin; National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL).

   2. The AGM Notice and the Annual Report are available on the Company's website http://pvpcinema.com/annual-reports/ the website of KFin https://evoting.kfintech.com and also on those of the BSE Limited www.bseindia.com.

   3. Members who have still not registered their email IDs are requested to do so at the earliest

      - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.

      - Members holding shares in physical mode are requested to register their email ID with the Company i.e., ir.telephoto@pvpglobal.com or Cameo Corporate Services Limited i.e., investor@cameoindia.com , for receiving the AGM Notice and Annual Report.

   We urge Members to support this Green Initiative effort of the Company and get their email ID registered.

5. **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

a) Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at https://emeetings.kfintech.com/ by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

b) Members may join the AGM through laptops, smartphones, tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

   Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

   Members will be required to grant access to the web-cam to enable two-way video conferencing.

c) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM. Members will be able to participate in the AGM through VC / OAVM on a first-come-first-serve basis.

   Large Members (i.e., Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction of first-come first-serve basis.

d) Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.

e) Members, holding shares as on the cut-off date i.e. Monday, 20th September, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at https://emeetings.kfintech.com and clicking on "Speaker Registration" during the period from Wednesday 22nd September, 2021 (9:00 a.m. IST) upto Saturday, 25th September, 2021 (05:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

   Alternatively, Members holding shares as on the cut-off date may also visit https://emeetings.kfintech.com and click on the tab 'Post Your Queries' and post their queries / views /questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will be open on Wednesday 22nd September, 2021 (9:00 a.m. IST) and closes on Saturday, 25th September, 2021 (05:00 p.m. IST)

f) Members who need assistance before or during the AGM, relating to use of technology, can contact KFin at 1800 309 4001 or write to them at evoting@kfintech.com.

6. **PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING THE AGM:**

a) Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.

b) The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC / OAVM, but will not be entitled to cast their vote once again on the resolutions. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

c) In case of any query and / or assistance required, relating to attending the AGM through VC / OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of https://evoting.kfintech.com at the email ID evoting@kfintech.com or call KFin's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.

d) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting services arranged by KFin. Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").

e) The remote e-voting period commences on Friday, 24th September, 2021 (9:00 a.m. IST) and ends on Sunday, 26th September, 2021 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Monday, 20th September, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

f) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

g) Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. In case they are already registered with KFin for remote e-voting, they can use their existing User ID and password for voting.

h) In terms of SEBI e-voting Circular, e-voting process has been enabled for all 'individual demat account holders', by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s) ("DP").

i) Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFin, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.

The process and manner for remote e-voting and joining and voting at the AGM are explained below:

Step 1 : Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

Step 2 : Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

Step 3 : Access to join the AGM on KFin system and to participate and vote thereat.

Details on Step 1 are mentioned below:

I) Login for remote e-voting for Individual Members holding equity shares in demat mode.

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	**Existing Internet-based Demat Account Statement ("IDeAS") facility Users:** 1. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. 2. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. 3. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 4. Click on company name i.e. "Picturehouse Media Limited" or e-voting service provider i.e. KFin. 5. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period and voting during the AGM. **Those not registered under IDeAS:** 1. Visit https://eservices.nsdl.com for registering. 2. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-voting website of NSDL https://www.evoting.nsdl.com/. 4. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. 5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen. 6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. 7. Click on company name i.e Picturehouse Media Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM. 8. Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Individual Members holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access To Securities Information ("Easi / Easiest") facility**: i. Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com ii. Click on New System Myeasi. iii. Login to MyEasi option under quick login. iv. Login with the registered user ID and password. v. Members will be able to view the e-voting Menu. vi. The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authenciation. 2. **User not registered for Easi / Easiest** i. Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering. ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc. iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote. 3. **Alternatively, by directly accessing the e-voting website of CDSL** i. Visit www.cdslindia.com ii. Provide demat Account Number and PAN iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account. iv. After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. 'Picturehouse Media Limited" or select KFin**.** v. Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.
Individual Members login through their demat accounts / Website of Depository Participant	i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility. ii. Once logged-in, Members will be able to view e-voting option. iii. Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature. iv. Click on options available against Picturehouse Media Limited or KFin. v. Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

II) **Login method for e-voting for Members other than Individual's Members holding shares in demat mode and Members holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin which will include details of e-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value

(0-9) and a special character (@,#,$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.

v. Members would need to login again with the new credentials.

vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'Picturehouse Media Limited - AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.

ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.

x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily write to Company to ir.telephoto@pvpglobal.com

ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to einward.ris@kfintech.com.

iii. Alternatively, Members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.

i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company / KFin.

ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.

iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

Other Instructions:

I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

II. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday 20th September, 2021.

III. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Monday 20th September, 2021 may obtain the User ID and Password in the manner as mentioned below:

a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399

Example for NSDL: MYEPWD<SPACE> IN12345612345678

Example for CDSL: MYEPWD<SPACE> 1402345612345678

Example for Physical: MYEPWD<SPACE> XXX1234567890

b. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com , the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Members may call KFin toll free number 1800 309 4001.

d. Members may send an email request to: evoting@kfintech.com. If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.

IV. The Board of Directors has appointed D. Hanumanta Raju & Co., Company Secretaries, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.

V. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.

VI. The results declared along with the Scrutinizer's report will be forwarded to BSE Limited be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website i.e., ir.telephoto@pvpglobal.com

GENERAL INFORMATION:

1. The Company's equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
2. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at M/s. Cameo Corporate Services Limited, Subramanyam Building, 1, Club House Road, Chennai 600 002 E-mail: cameo@cameoindia.com.
3. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to ir.telephoto@pvpglobal.com.

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

Item No. 3 The Board of Directors, at its Meeting held on August 11, 2021 reappointed Mr. Prasad V. Potluri as Managing Director with effect from August 11, 2021 for a period of five years i.e., upto August 10, 2026 on the terms and conditions as set out in the resolution, subject to the approval of shareholders of the Company.

Mr. Prasad V. Potluri is a serial entrepreneur in the global outsourcing services space; he has successfully built and sold 3 companies while serving the needs of the Fortune 1000 marketplace. Within the global investment community, he is a respected thought leader. During an entrepreneurship packed decade, he has been the driving force behind many companies, including ProconInc, Albion Orion Company LLC, Irevna Ltd. Procon Inc. was acquired by RCM Technologies in 1998. AOC, LLC was acquired by SSI in 2000 for INR 292 Crores, the then largest cross-border deal. Irevna Limited was acquired by CRISIL (S&P India) in 2005. He is a Strategic Investor in Maven Corp and Karvy Consultants & a Founding Investor of CBay Systems.

Mr. Prasad V. Potluri is not related to any Director of the Company. He is Chairman & Managing Director of PVP Ventures Limited. He is the member of Audit committee, CSR Committee and Stakeholders relationship committee of Picturehouse Media Limited and member of Audit Committee, CSR Committee and Stakeholders relationship committee of PVP Ventures Limited.

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

Details of the Managing Director seeking Re-appointment

<table>
<tr><td>Name of the Director</td><td>Mr. Prasad V. Potluri</td></tr>
<tr><td>DIN</td><td>00179175</td></tr>
<tr><td>Nationality</td><td>Indian</td></tr>
<tr><td>Date of appointment on the Board</td><td>04/12/2007</td></tr>
<tr><td>Qualification</td><td>Bachelor in Mechanical Engineering</td></tr>
<tr><td>Expertise in specific functionoal area</td><td>A serial entrepreneur in the global outsourcing services space; he has successfully built and sold 3 companies while serving the needs of the Fortune 1000 marketplace. Within the global investment community, he is a respected thought leader</td></tr>
<tr><td>Number of shares held in the Company</td><td>Nil</td></tr>
<tr><td>List of the directorship held in other Companies</td><td>PVP Ventures Limited – Chairman & Managing Director</td></tr>
<tr><td>*Chairman/Member in the Committees of the Board of Companies in which he is Director</td><td><table>
<tr><th>Name of the Committee</th><th>Position</th><th>Name of Company</th></tr>
<tr><td>Audit Committee</td><td>Member</td><td>Picturehouse Media Limited</td></tr>
<tr><td>Stakeholders Relationship Committee</td><td>Member</td><td>Picturehouse Media Limited</td></tr>
<tr><td>Audit Committee</td><td>Member</td><td>PVP Ventures Limited</td></tr>
<tr><td>Stakeholders Relationship Committee</td><td>Member</td><td>PVP Ventures Limited</td></tr>
</table></td></tr>
<tr><td>Relationship of Directors inter-se</td><td>Nil</td></tr>
<tr><td colspan="2">*Committee membership/Chairmanships include only Audit Committee and Stakeholders Relationship Committee of other public and /Listed Companies including the Company in which his re-appointment is proposed.</td></tr>
</table>

DIRECTORS REPORT

To
The Members,

We are pleased to present the report on the business and operations of your Company for the year ended March 31, 2021.

1. FINANCIAL RESULTS **(Rs. in Lakh)**

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Total Income	138.79	1,501.38	138.79	1,499.88
Operational, Administration and Other Expenses	93.95	1,124.20	1,603,30	4,237.44
Profit/(Loss) Before Depreciation Interest and Tax	**44.84**	**377.18**	**(1,464.51)**	**(2,737.56)**
Depreciation	33.05	35.89	33,63	36.15
Interest and Finance Charges	97.05	993.48	3,305.33	3,931.09
Profit / (Loss) Before Exceptional Items	**(85.26)**	**(652.19)**	**(4,803.47)**	**(6,704.80)**
Exceptional Items	0	0	0	0
Profit / (Loss) Before Tax	**(85.26)**	**(652.19)**	**(4,803.47)**	**(6,704.80)**
Tax Expense	0	(0.40)	0	(0.40)
Other Comprehensive Income	1.30	5.64	2.63	5.12
Profit/ (Loss) after Tax	**(83.96)**	**(646.95)**	**(4,800.84)**	**(6,700.08)**
Basic and diluted	(0.16)	(1.25)	(9.19)	(12.83)

2. STATE OF THE COMPANY'S AFFAIRS

During the financial year 2020-21, the Company witnessed loss both on Standalone and Consolidated basis. The Company's income from operation amounted to Rs. 1.43 lakhs for the current FY while Rs. 1,447.63 lakhs in the preceding year.

The Standalone Loss after tax stood at Rs. 85.26 lakhs as against loss of Rs. 652.19 lakhs in 2020. Further, the Consolidated Loss after tax stood at Rs. 4,803.47 lakhs as against loss of Rs. 6,704.80 lakhs in 2020.

3. TRANSFER TO RESERVES

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

4. DIVIDEND

In view of the losses and in order to conserve the resources of the Company, for future Business operations, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2021.

5. CAPITAL STRUCTURE

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

6. PUBLIC DEPOSITS

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

7. INSURANCE

All the properties of your Company have been adequately insured.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

9. RELATED PARTY TRANSACTIONS

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

During the year under review, there were no Related Party Transactions or Material Related Party Transactions i.e., transactions, exceeding 10% of the annual consolidated turnover as per the latest audited financial statements. Accordingly, the disclosure of Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable for the year ended March 31, 2021.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 24, the Related Party Transactions are disclosed under Note No. 40 of the Standalone Financial Statements.

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

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

11. SUBSIDIARY COMPANIES

The Company along with its subsidiaries is operating in the verticals of Film Production and Film Financing. As on March 31, 2021, the Company has 2 (two) wholly-owned subsidiaries viz.,

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

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) and Section 133 of the Companies Act, 2013 read with the rules made thereunder and applicable Indian Accounting Standards (Ind AS) along with the Auditor's Report forms part of this Annual Report. Further, a statement containing salient features of the financial statements of the subsidiaries in the prescribed format **AOC-1** is appended as **Annexure - 1** to the Board's Report. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity.

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

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

13. CORPORATE GOVERNANCE

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

14. BOARD OF DIRECTORS AND KEY MANAGERRIAL PERSONNEL

14.1 During the year, following appointments took place:

- Mr. Nandakumar Subburaman (DIN.00611401) was appointed as an Independent Director by the Shareholders in the Previous Annual General Meeting of the Company held on 11.12.2020, who shall hold office for 5(Five) consecutive years i.e., till Annual General Meeting to be held for the FY 2024-25.
- Ms. P J Bhavani (DIN.08294839) , was appointed as Woman Director under Non-Executive and Non-Independent Director by the Shareholders in the Previous Annual General Meeting of the Company held on 11.12.2020, who shall be liable for retirement by rotation during the tenure of her office.
- Mr. Saiteja Ivaturi was appointed as the Company Secretary & Compliance Officer w.e.f 31.07.2020

14.2 Resignation:

- Mrs. Sai Padma Potluri, resigned from her Directorship on 01.06.2020 due to her personal reasons.
- Ms. Surabi Jain resigned from the post of Company Secretary w.e.f. 30.04.2020.

No other Director/s and Key Managerial Personnel have resigned other than the stated above during the period under review.

15. Training and familiarization programs and Annual Board Evaluation process

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

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The policy on Directors' appointment and remuneration including criteria for determining qualifications positive attributes, independence of director and also remuneration for Key Managerial Personnel and other employees and Board evaluation process also forms part of Corporate Governance Report as per Section 178(3) of the Companies Act, 2013 is hosted on the Company's website and the web link thereto is http://pvpcinema.com/docs/other_statutory_info/PML-N&RCommPolicy.pdf.

16. Composition of Board Committees are specified as per the date of Director's report

Audit Committee	
Mr. Narayanaswamy Seshadri Kumar	Chairman
Mr. Sohrab Chinoy Kersasp	Member
Mr. Prasad V. Potluri	Member

Nomination and Remuneration Committee	
*Mr. Sohrab Chinoy Kersasp (w.e.f. 06-11-2020)	Chairman
**Mr. Narayanaswamy Seshadri Kumar (w.e.f. 06-11-2020)	Member
Mrs. Poonamallee Jayavelu Bhavani	Member

Stakeholders Relationship Committee	
*Mr. Sohrab Chinoy Kersasp (w.e.f. 06-11-2020)	Chairman
**Mr. Narayanaswamy Seshadri Kumar (w.e.f. 06-11-2020)	Member
Mr. Prasad V. Potluri	Member

*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

**Mr. N S Kumar - Chairman till 05-11-2020

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

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

17. NUMBER OF MEETINGS OF THE BOARD

The Board met 4 (Four) times through Video Conference during the financial year, and the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

Note: Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) In preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors have prepared the annual accounts on a going concern basis;

(v) The directors have laid down internal financial controls, which are adequate and are operating effectively; and

(vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate to operate the company effectively.

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

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

20. AUDITORS

20.1 Statutory Auditor

As per provision of Section 139 of the Act, M/s. Sundaram & Srinivasan, Chartered Accountants, (FRN: 004207S) were appointed as Statutory Auditors of your Company, to hold office until the Conclusion of 26th Annual General Meeting.

Auditors' Report & Management' Comments on the Qualifications made by statutory auditors:

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Auditors' Report for the financial year 2020-21 is a "qualified report'' for both standalone & consolidated financial statements.

Auditors Qualification:

On Standalone financial statement:

1. *Attention is invited to note no. 28 to the Standalone Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 1324.37 lakhs) amounting to Rs. 3632.79 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The company's Board is of the view that advances can be realized at the time of release of the movies and accordingly, it is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2021. 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, 2021 is understated.*

   In respect of an advance of Rs. 262.50 lakhs made to one party during the year, the company has not produced any documentary evidence including confirmation of balance. Hence, we are not in a position to certify the nature of transaction and related internal financial control.

2. *Attention is invited to note no. 29 to the Standalone Financial Statements, in relation to inventory i.e., films production expenses amounting to Rs. 4955.64 Lakhs, mainly consists of advances granted to artists and co-producers. As the film's production has not commenced and / or completed, the advances made are continued to be carried as inventory. However, the Board states that it is evaluating options for maximum utilization of these payments. In the absence of documentary evidence towards commencement and/or completion of production of films and also in the absence of confirmation of balances from the parties, 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. 30 to the Standalone Financial Statements, in relation to Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL)*

   The subsidiary's net worth stands at Rs. 19,132.25 lakhs (negative) as at 31.03.2021. 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. 31 & 33 to the Standalone Financial Statements, in relation to preparation of financial results on "Going Concern Basis".*

   Without carrying any major business activity, incurring continuous losses from operations, adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, the impact of outbreak of Coronavirus (COVID -19) on the business operations of the company 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.

5. *Attention is invited to note no. 32 to the Standalone Financial Statements, Penalty of Rs. 7.60 lakh levied by the Bombay Stock Exchange. The financial statements pertaining to the year ended March 31, 2020 ought to have been restated to comply with Ind AS 8.*

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

On consolidated financial statement:

6. *Attention is invited to note no. 29 to the Consolidated Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 1324.37 lakhs) amounting to Rs. 3632.79 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, 2021. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Consequently, we were unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2021 is understated.*

   In respect of an advance of Rs. 262.50 lakhs made to one party during the year, the holding company has not produced any documentary evidence including confirmation of balance. Hence, we are not in a position to certify the nature of transaction and related internal financial control.

7. *Attention is invited to note no. 30 to the Statement, in relation to inventory i.e. films production expenses amounting to Rs. 4995.64 lakhs, mainly consists of advances granted to artists and co-producers. As the film's production has not commenced and / or completed, the advances made continued to be carried as inventory. However, the Board of the holding company states that it is evaluating options for maximum utilization of these payments. In the absence of tangible evidence towards commencement and / or completion of production of films and also in the absence of confirmation of balances from the parties, we are unable to agree with the views of the Board. We are of the opinion that realisation 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.*

8. *Attention is invited to note nos. 31 and 33 to the consolidated financial statements, in relation to preparation of consolidated financial statements on "Going Concern Basis".*

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

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

9. *Attention is invited to note no 35 to the consolidated financial statements in relation to penalty of Rs. 7.60 lakh levied by the Bombay Stock Exchange recorded in financial statement of 31.03.2021. The financial statements pertaining to the year ended March 31, 2020 ought to have been restated to comply with Ind AS 8.*

10. *The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31st March, 2021 have drawn qualified opinion.*

    a. *Attention is invited to note no. 31 to the consolidated financial statements includes the financial statements of PVP Capital limited,, Chennai, 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. 20,012.67 lakhs as per the books of account as at March 31, 2021.*

       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. 200 lakhs as stated in the said note to the financial statement. The Company`s inability to meets 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 that 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.

b. *Attention is invited to note no. 32 to the consolidated financial statements in relation to the loans for film production amounting to Rs. 15,381.04 lakhs, whose realisability is significantly dependent on timely completion of the production of the films and the commercial viability of the films under production etc. The Management has assessed the recoverability of the loan amount and accordingly made a provision of Rs. 13,889.46 lakhs as at 31st March, 2021. However, the Management is unable to provide the status of the production of the recoverability of the whole amount. films Hence we are unable to determine whether the said provision is adequate or not.*

11. *The independent auditor of subsidiary company viz. PVP Cinema Private Limited has drawn Qualified conclusion. The same is reproduced by us as under:*

    Interest on unpaid income tax for FY 2008-09 till date aggregating to Rs. 9.50 lakhs is not accounted. The accumulated loss is short by this amount.

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

Management Comments on the above qualification:

1. Realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Company is of the view that loans and advances can be realized 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 company is confident of realizing the value at which they are carried notwithstanding the period of outstanding.
2. The 'films under production expenses' mainly comprising payments to artistes and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. The company does not foresee any erosion in carrying value.
3. The company asserts that no adjustment to the carrying value on investments of Rs. 2,521.74 lakhs is required at this stage as it is confident, that, by considering the aspects like recovery from the borrowers and other resources to bring in additional cash flows will meet its obligations. Further, PVP Capital Limited has applied for One Time Settlement to the bank and confident to settle the same soon.
4. As on 31st March, 2021, the company has a net worth of Rs.1, 108.81 Lakhs. 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. Further, during the course of a period, the company indents to strategically merge with its holding company which will create positive synergy in future. The financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors.
5. Management is of the view that it was an unintentional omission, while considering the restating of financials the restatement could not be possible due to State wise Lockdown meanwhile included and considered the same for the Quarter-1 ended June 30, 2020.
6. Same comment as provided in (1).
7. Same comment as provided in (2).
8. As on 31st March, 2020 the company has a negative net worth of Rs.15,752.45 Lakhs. Even though the company is incurring continuous losses and negative net worth, the group is succeeded in better EBITA Margins. This is entirely aligned with the Group's long range plan, which encompasses a continued development of the Group's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Group has paid advance amounts to the artistes and technicians for the future movies production which is shown under Inventory. Further, during the course of a period, the Group indents to strategically merge with its holding company which will create positive synergy in future. The consolidated financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors.
9. Same Comment as provided in (5)
10. Same Comment as provided in (3)
11. The management shall accrue the said interest in upcoming quarter in books of accounts.

Note: 1. All the recommendations made by the Audit Committee and Nomination and Remuneration Committee are taken on record and accepted by the Board of Directors.

2) The Statement of Impact of Auditors Qualifications for the year ended 31st March, 2021 as per Regulation 34 (2) (a) of SEBI (LODR) Regulations, 2015 can be navigated via **http://pvpcinema.com/other-statuary-information/**

20.2 Secretarial Auditor and Secretarial Audit Report

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

The Secretarial Audit Report for financial year 2020-21 forms part of Annual Report as **Annexure 2** of the Board's Report.

Auditors Qualification:

a. The Company did not submit the related party transactions on a consolidated basis as per regulation 23(9) ofSecurities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2020 with the stock exchange within 30 days from the publication of financial results. The Company submitted the same on 31.08.2020 for the financial results published on 31.07.2020.

b. The Company had to give prior intimation as per Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020 about the meeting of Board of Directors in which the quarterly / annual financial results were to be considered for the period ended 31.03.2020 atleast 2 days in advance excluding the date of the intimation and date of the meeting. However, the same was intimated to Stock Exchange on 29.07.2020 for the Board meeting held on 31.07.2020

c. As per Regulation 30read with Schedule III, Part A, Para A, sub clause 7A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to stock exchange about resignation of Statutory Auditors vide resignation letter dated 20.10.2020 which was received on 05.11.2020, within 24 hours of the receipt of resignation. However, this was intimated on 11.12.2020. Further the Company has not obtained the resignation in the format as prescribed in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

d. As per Regulation 34(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to provide the Statement on Impact of Audit Qualifications in its Annual Report for the year ended 31st March, 2020 but the same has not been provided.

e. The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31st March, 2020as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. The Company was required to provide information as per the Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of explanatory statement to the notice of Annual General Meeting (AGM) where the Statutory Auditor is proposed to be appointed but the same has not been provided.

g. The Company did not publish the details in the newspapers as per Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 with respect to:

➢ Notice of the Board Meeting held on 31.07.2020 in which financial results for the period ended 31.03.2020 were considered.

➢ Financial results for the period ended 31.03.2020.

h. As per regulation 74(5) of SEBI (Depository Participants) Regulations, 2018 the Company was required to file the certificate issued by RTA with the Stock Exchange. However the Company has not filed the same for the quarter ended 31.03.2020.

i. As per Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B the Company did not intimate to stock exchange the details of closure of trading window for the quarter ended 31.03.2020 and for the quarter ended 31.12.2020 the intimation was made on 06.01.2021.

j. The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018to the stock exchange within prescribed / extended timelines. The Company filed the same on 03.07.2020.

Management Comments on above Qualifications:

1) The qualifications of Secretarial Auditors pertaining to delay in filing of reports and submissions have been noted by the Company and the Company assure to follow the same in future.

2) For point (c) the management was very keen in negotiating with the previous Auditor regarding their proposal to resignation from the Company creating the Casual Vacancy, hence the delay occurred. The delay occurred will avoided in future in such matters.

21. Cost Records:

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

22. REPORTING OF FRAUDS

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

23. STOCK EXCHANGE LISTING

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

24. MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

25. SIGNIFICANT ORDERS AND MATTERS

During the financial year of the Company-

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

However, the Company has filed an appeal questioning the order and the same by rejected by Securities Appellant Tribunal stating the order was rightly dismissed by SEBI under Regulation 102 of the LODR Regulations

24.2 PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). Further, the bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. Further, The Company has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the Company has not maintained the mandatory amount of Net Owned Fund of Rs. 200 Lakhs.

Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Funds of Rs. 200 Lakhs on or before 31st March, 2020.

As per Bank statement, outstanding loan as on 31st March 2021 is Rs. 20,012.67 lakhs (Rs. 16,787.91 lakhs as of 31st March 2020).

26. ANNUAL RETURN

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

27. INTERNAL FINANCIAL CONTROL

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

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

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

29. CORPORATE SOCIAL RESPONSIBILITY

Your Company has in place a CSR Committee in accordance with Section 135 of the Act. The details of the CSR Policy and the Report on CSR activities as prescribed under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as **Annexure 3.** Further, the CSR Policy as approved by the Board is also available on website of the company.

30. PARTICULARS OF EMPLOYEES

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

31. RISK MANAGEMENT POLICY

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

32. COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

During the financial year ended 31st March, 2021, the Company has not received any complaints pertaining to Sexual Harassment.

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

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

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

35. ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors

	Sd/-	Sd/-
Date : August 11, 2021	**Prasad V. Potluri**	**N S Kumar**
Place : Chennai	Managing Director	Director

MANAGEMENT DISCUSSION AND ANALYSIS

A. **ECONOMIC OVERVIEW**

Indian economy was primed to become the fastest growing economies since early 2018, driven by strong consumption and steady growth across sectors. Economic pressures across the globe had a direct bearing on the Indian economy resulting in an estimated decline in growth of GDP to 3.1% in FY21. Despite the worst impact of COVID-19 on our industry, Industry is thriving hard to minimize the impact and risk due to restrictions on the industry.

An year old pandemic has scaled worst impact on all businesses alike and is expected to contract the economy with much larger degree. Lockdowns impacted and disrupted the business operations and brought of the businesses to grinding halt. Varied policy measures by the government coupled with a solution to arrest the spread of COVID-19 remains to be primary recovery driver of the lost momentum.

B. **INDUSTRY STRUCTURE AND DEVELOPMENT**

The process of the gradual reopening of the Indian economy has begun, but the shock of COVID-19 on businesses has been severe. All sectors have been affected by the coronavirus outbreak and its associated lockdowns to varying degrees. The M&E sector faced significant disruptions with the lockdown forcing all forms of outdoor entertainment, particularly cinemas and events to shut down and content supply chains to dry up. With lockdown now easing, content supply appears to be restarting, albeit with baby steps. Cinemas and events, however, continue to be shut and face significant uncertainty regarding return to normalcy in the near-term. Movie Making appear to be recovering and expected for few releases festive quarter expected in Q3FY21, there is likely to be a quicker recovery in marketing and production budgets.

No theatrical distribution due to continued closure of cinema halls, however there was spurt in direct to OTT releases. Filming to see a short-term change, with challenges around higher production costs.

COVID 19 and the following government-imposed lockdowns since March 2020 has severely impacted, owing to production restrictions and closure of exhibition avenues. The lockdowns have also delayed major releases and shelved many ongoing projects. Digital medium / OTTs has become the prime source of content distribution, until normalcy resumes, and theatres start functioning at full capacities.

C. **OPPORTUNITIES, RISKS AND CONCERNS**

OPPORTUNITIES

In the times of crisis Over the top (OTT) has come as boom to the film makers as theatrical release of movies has speculated to be reduced, which impacted the revenue earners in the industry badly.

THREATS, RISKS AND CONCERNS

The COVID pandemic and the ensuring social distancing norms have hampered active film shooting process since March 2020. This has resulted in time and cost over-runs in content production process and making the title available for release. Further with muted credit availability and liquidity stress in the economy, the credit flow to movie industry has been severely impacted, further slowing down the content production process.

Also, theatrical release that has been one of the most important sources of revenue for film producers, contributing between 40-50% of the overall revenue pie, is severely hampered. Consequent to COVID, most of the multiplexes and standalone theatres are still under lock- down, despite other businesses slowly returning to normal operations. Prolonged lock down of theatres and/or reduction in seating capacity due to social distancing norms could impact overall revenue from movie screening.

D. **OUTLOOK**

In the near term, OTT, satellite, and other digital platforms will continue to increase their market share as viewers would be cautious in venturing out to multiplexes and movie theatres. There will be an increased use of analytics in these digital platforms to understand user preferences in granular detail, which will serve as a guiding factor for new content creation. The audience base is set to widen and pave way for innovative, vernacular based customized content for each audience base. This given, when theatres also open, the overall market size for movies would be large and broad based, which will have a favorable impact on the industry in the long run.

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

1) Debtors' turnover: NA
2) Inventory turnover: NA
3) Interest coverage ratio: EBIT/Interest Expense = -1.88
4) Current ratio = 2.6
5) Debt Equity ratio =NA
6) Operating profit margin =NA
7) Net profit margin =NA

REPORT ON CORPORATE GOVERNANCE

[*Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]*

The Company believes in the system of accountability, transparency and business ethics in its business coupled with utmost importance to statutory compliances. Your Company believes that good Corporate Governance will lead to attainment of long term goals and value addition to the Stakeholders of the Company. The Corporate Governance process and systems have been gradually strengthened over the years.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Picturehouse Media Limited believes in the system of accountability, transparency and business ethics. It believes in the following three tier Corporate Governance Structure:

(i) Members appoint the Board of Directors ('Board') and authorize to conduct business with objectivity and ensure accountability.

(ii) Board leads the strategic management of the Company on behalf of the Shareholders and in the best interests of all the Stakeholders, exercises supervision through direction and control and constitutes various Committees to handle specific areas of responsibilities; and

(iii) The Committees of the Board and Executive Management appointed by the Board take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company are being managed according to the strategies and targets set by the Board.

The above principles have been the guiding force for whatever your Company does and shall continue to be so in the years to come. The Company is committed to adapting to the best practices in Corporate Governance and Disclosure.

2. BOARD OF DIRECTORS

a. **Composition and Category of Directors**

The Board consists of Five Directors comprising 1 (one) Promoter - Executive Director and 3(three) Independent Directors and 1 (One) Woman Non-Executiveand Non-Independent Director, as on March 31, 2021. The composition of the Board represents the finest blend of professionals from various backgrounds which enable the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

b. **Attendance of the Directors at the Board Meetings and the 21stAnnual General Meeting**

The attendance of the Directors at the Meeting of Board of Directors held during financial year 2020-21 is as follows:

SL NO	NAME	NO. OF BOARD MEETINGS		ATTENDANCE AT THE AGM HELD ON DECEMBER 11, 2020
		HELD	ATTENDED	
1.	Mr. Prasad V. Potluri	4	4	Yes
2.	Mr. N S Kumar	4	4	Yes
3.	Mr. Sohrab Chinoy	4	4	Yes
4.	*Mrs. PJ Bhavani	4	3	Yes
5.	**Mr. Nandakumar Subburaman	4	3	Yes

* Ms. PJ Bhavani was appointed as an Additional Non-Executive Non-Independent Director w.e.f 31.07.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11th December, 2020.

** Mr. Nandakumar Subburaman was appointed as Additional Director w.e.f 07.11.2019 & Change in Designation as Independent Director w.e.f 30.01.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11th December, 2020.

The necessary quorum was present for all the Board Meetings and the 21stAnnual General Meeting.

Note: Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

None of the Directors hold any shares in the Company.

A code of conduct as applicable to the Directors and the designated senior management of the Company had been approved by the Board and adhered by them. A declaration to this effect from the Managing Director of the Company attached to this Annual Report.

c. **Other Directorships**

The details of each Member of the Board along with number of Directorship(s)/Committee Membership(s) held by Directors in other companies along with date of appointment to the Board of Picturehouse Media Limited and Director Identification Number (DIN) are provided below for the period ended March 31, 2021

NAME OF THE DIRECTOR	DESIGNATION/ POSITION	DATE OF APPOINTMENT	DIN	DIRECTORSHIPS IN OTHER COMPANIES	POSITION ON COMMITTEES OF THE BOARD OF OTHER INDIAN COMPANIES	
					AS CHAIRMAN	AS MEMBER
Mr. N S Kumar	Non-Executive Independent Director	27/04/2006	00552519	4	2	2
Mr. SohrabChinoy	Non-Executive Independent Director	22/03/2019	03300321	7	2	2
Mr. Prasad V. Potluri	Managing Director	04/12/2007	00179175	1	Nil	3
*Ms. P J Bhavani	Non-Executive Director	31/07/2020	08294839	1	Nil	Nil
**Mr. Nandakumar Subburaman	Non-Executive Independent Director	07/11/2019	00611401	2	Nil	Nil

* Ms. PJ Bhavani was appointed as an Additional Non-Executive Non-Independent Director w.e.f 31.07.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11th December, 2020.

** Mr. Nandakumar Subburaman was appointed as Additional Director w.e.f 07.11.2019 & Change in Designation as Independent Director w.e.f 30.01.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11th December, 2020.

Notes

(i) None of the Directors are related to each other

(ii) As required by Regulation 26 of SEBI (LODR) Regulations, 2015, the disclosure includes Membership/ Chairpersonship of the Audit Committee and Stakeholders Relationship Committee of other public limited companies.

(iii) In PVP Ventures Limited (Listed Company), Mr. N S Kumar, Mr. Sohrab Chinoy and Mr. Nandakumar Subburaman are Independent Directors. Mr. Prasad V. Potluri is the Chairman and Managing Director and Ms. P J Bhavani is Non-executive Non-Independent Director of the Company.

(iv) Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least 1 meeting in a Financial Year, without the attendance of non-independent directors and members of the management. The Independent Directors have held a meeting on 09.02.2021 reviewed and discussed, the performance of non-independent directors and Board as a whole, and assessed the quality, quantity and timelines of flow of information between the company management and the Board which is necessary for the Board to effectively and reasonably perform their duties, the performance of the Company and risks faced by it, flow of information to the Board, competition, strategy, leadership strengths, weaknesses, governance, compliance, board movements, HR matters and performance of Chairman.

None of the Directors hold Directorships in more than 20 Companies.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

d. **Number of Board Meetings**

During the year ended March 31, 2021, the Board met Four (4) times i.e., on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021.

e. **Disclosure of relationship between directors inter-se**

None of the Directors are related to each other.

f. **Shares held by Non-Executive Directors**

As on March 31, 2021, none of the Non-Executive Directors held any shares in the Company.

g. **Directors Induction and Familiarization**

The details of Director's induction and familiarization are available on the Company's website at www.pvpcinema.com. Details of the familiarization programme is hosted on http://pvpcinema.com/other-statuary-information/.

h. **General Director Qualification Criteria**:

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

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

Skills and its description

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

i. **Independence of Independent Directors**

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013.

j. **Resignation of Independent Director**

Pursuant to the SEBI (LODR) compliances and Companies Act, 2013, there was no resignation of Independent Directors.

3. Audit Committee

a. **Brief description of terms of reference**

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

(i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement tobe included in the board's report in terms of clause (c) of sub-section (3) ofSection 134 of the Companies Act, 2013;

(b) changes, if any, in accounting policies and practices and reasons for thesame;

(c) major accounting entries involving estimates based on the exercise ofjudgement by management;

(d) significant adjustments made in the financial statements arising out of auditfindings;

(e) compliance with listing and other legal requirements relating to financialstatements;

(f) disclosure of any related party transactions;

(g) modified opinion(s) in the draft audit report;

(v) Reviewing, with the management, the quarterly financial statements beforesubmission to the board for approval;

(vi) Reviewing, with the management, the statement of uses / application of fundsraised through an issue (public issue, rights issue, preferential issue, etc.), thestatement of funds utilized for purposes other than those stated in the offerdocument / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, andmaking appropriate recommendations to the board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and performance, andeffectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the listed entity withrelated parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the listed entity, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors,adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structureof the internal audit department, staffing and seniority of the official heading thedepartment, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

(xv) Reviewing the findings of any internal investigations by the internal auditors intomatters where there is suspected fraud or irregularity or a failure of internalcontrol systems of a material nature and reporting the matter to the board;

(xvi) Discussion with statutory auditors before the audit commences, about the natureand scope of audit as well as post-audit discussion to ascertain any area ofconcern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors,debenture holders, shareholders (in case of non-payment of declared dividends)and creditors;

(xviii) To review the functioning of the whistle blower mechanism;

(xix) Approval of appointment of CFO after assessing thequalifications, experience and background, etc. of the candidate;

(xx) Carrying out any other function as is mentioned in the terms of reference of theaudit committee.

(xxi) Monitoring the end use of funds raised through public offers and related matters;

(xxii) To review the management discussion and analysis of financial condition and results of operations;

(xxiii) To review the statement of significant related party transactions (as defined by the audit committee), submitted by management;

(xxiv) To review the management letters / letters of internal control weaknesses issued by the statutory auditors;

(xxv) To review the internal audit reports relating to internal control weaknesses;

(xxvi) To review the appointment, removal and terms of remuneration of the chief internal auditor.

(xxvii) To review the statement of deviations of following:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xxviii) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and

(xxix) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

b. **Composition, name of members and chairperson**

The Audit Committee was constituted by the Board with 2 Independent Directors and 1 Executive Director with Independent Director as its Chairman.

All Members are financially literate and have the required accounting and financial management expertise.

NAME OF THE DIRECTOR	CATEGORY	POSITION
Mr. N S Kumar	Non-Executive and Independent Director	Chairman
Mr. Sohrab Chinoy	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Managing Director	Member

c. **Audit Committee meetings and Attendance during the Financial year ended March 31, 2021**

The Audit Committee met Four (4) times during the financial year 2020-21 i.e., on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021 and not more than One Hundred and Twenty days had elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

Note: Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

Details of Attendance of the Audit Committee Meetings

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF AUDIT COMMITTEE MEETINGS	
			HELD	ATTENDED
1	Mr. N S Kumar	Non-Executive Independent Director	4	4
2	Mr. Sohrab Chinoy	Non-Executive Independent Director	4	4
3	Mr. Prasad V. Potluri	Managing Director	4	4

The Company Secretary of the Company acts as a Secretary of the Committee.

4. Nomination and Remuneration Committee

a. **Brief description of terms of reference**

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

(i) Determine/recommend the criteria for qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii) Formulate criteria for evaluation of each Director's performance and performance of the Board as a whole;

(iii) Devising a policy on diversity of board of directors;

(iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal.

(v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

(vi) Determine/recommend the criteria for appointment of Executive, Non-executive and Independent Directors to the Board;

b. **Composition, name of members and chairperson**

The Nomination and Remuneration Committee consists of 2 Independent Directors and One Non-Executive Non-Independent Director with Independent Director as its Chairman.

Details of Composition of the Committee:

NAME OF THE MEMBER	CATEGORY	POSITION
*Mr. Sohrab Chinoy	Non-Executive and Independent Director	Chairman
**Mr. N S Kumar	Non-Executive and Independent Director	Member
Ms. PJ Bhavani	Non-Executive and Non-Independent Director	Member

*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

**Mr. N S Kumar - Chairman till 05-11-2020

The Company Secretary of the Company acts as the Secretary to the Nomination & Remuneration Committee.

c. **Nomination & Remuneration Committee Meeting and Attendance during the Financial year ended March 31, 2021**

The Nomination & Remuneration Committee met Once (1) time during the financial year 2020 - 21 on 31.07.2020. The Committee was reconstituted on November 06,2020 to induct Mr. SohrabChinoy as Chairman of the Committee.

Details of Attendance of the Nomination and Remuneration Committee Meetings

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF AUDIT COMMITTEE MEETINGS	
			HELD	ATTENDED
1	Mr. SohrabChinoy	Non-Executive and Independent Director	1	1
2	Mr. N S Kumar	Non-Executive and Independent Director	1	1
3	Ms. PJ Bhavani	Non-Executive Director	1	0

d. **Performance evaluation criteria for independent directors**

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

Board Level Performance Evaluation

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

5. Remuneration to Directors

a. There were no pecuniary transactions with any non-executive director of the Company.

b. The Company has not paid any remuneration to its non-executive directors, except the sitting fees paid for attending the meetings of the Board and the Committees.

Details of sitting fees paid to the Directors are as follows:

NAME OF THE DIRECTOR	AMOUNT (IN RUPEES)
Mr. Prasad V. Potluri	NIL
Mr. Sohrab Chinoy	1,30,000
Mr. N S Kumar	1,30,000
Ms. PJ Bhavani	90,000
Mr. Nandakumar Subburaman	75,000

c. No director of the Company is paid any remuneration.

d. Service contracts, notice period and Severance fee: **Not Applicable**

e. The Company does not have any employee stock option scheme in force.

6. Stakeholders' Relationship Committee

a) **Composition of the Committee**

The Stakeholders' Relationship Committee comprises of three Directors, as detailed below.

Details of Composition of the Committee:

NAME OF THE DIRECTOR	CATEGORY	POSITION
*Mr. Sohrab Chinoy	Non-Executive and Independent Director	Chairman
**Mr. N S Kumar	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Managing Director	Member

*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

**Mr. N S Kumar - Chairman till 05-11-2020

The Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee.

b) **Stakeholders' Relationship Committee Meeting and Attendance during the financial year ended March 31, 2021**

The Committee met four (4) times during the financial year 2020 - 21 on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021.The Committee was re-constituted on 6th November, 2020 to induct Mr. Sohrab Chinoy as Chairman of the Committee.

Details of Attendance of the Stakeholders' Relationship Committee Meetings

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF MEETINGS	
			HELD	ATTENDED
1	Mr. Sohrab Chinoy	Non-Executive and Independent Director	4	4
2	Mr. N S Kumar	Non-Executive and Independent Director	4	4
3	Mr. Prasad V. Potluri	Managing Director	4	4

c) **Name and designation of the Compliance Officer**

Mr. Sai Teja Ivaturi, Company Secretary& Compliance Officer

d) **Number of shareholders complaints received so far - NIL**

e) **Number of complaints not resolved to the satisfaction of shareholders is NIL.**

f) **There were no pending complaints as at the year end.**

7. **General body meetings**

a. **Annual General Meetings**

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

YEAR	VENUE	DATE AND TIME	SPECIAL RESOLUTIONS PASSED
2019-20	Deemed place of meeting is Registered office i.e., KRM Centre, 9th Floor, Door No. 2 Harrington Road Chetpet - 600031, Tamil Nadu, India through Video Conference.	December 11, 2020 11:30 A.M	NIL
2018-19	Sri. P. Obul Reddy Hall", Vani Mahal, 103, G N Road, T. Nagar, Chennai – 600 017, Tamil Nadu	September 27, 2019 11:30 A.M	*Passed 1
2017-18	Sri. P. Obul Reddy Hall", Vani Mahal, 103, G N Road, T. Nagar, Chennai – 600 017, Tamil Nadu	September 10, 2018 11:30 A.M	NIL

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

b. **Extraordinary General Meetings**

No Extraordinary General Meeting held during the year.

c. Postal Ballot:

During the year 2020-21, the Company has passed no resolution through Postal Ballot.

d. **Special resolution proposed to be conducted through postal ballot**

There is no such proposal as of now. In case, any resolution needs to be passed through Postal Ballot during the year 2021-22, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

8. **Means of communication**

a. The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 in two newspapers namely Financial Express (in English) and in MakkalKural (in Tamil).

b. The results of the Company are generally published in newspapers namely Financial Express (in English) and in MakkalKural (in Tamil).

c. The website www.pvpcinema.com also displays vital information relating to the Company and its performance and such other statutory information such as shareholding pattern, annual reports, policies/code of conduct and such other like.

d. No official news releases or presentations to institutional investors/analysts were made during the year.

e. Presentations made to Institutional investors or to the analysts: Nil.

9. **General shareholder information**

a. **Annual General Meeting** –September 27, 2021at 12.00 NoonatKRM Centre, 9thFloor, Door No. 2 Harrington Road Chetpet - 600031, Tamil Nadu, India through Video Conference.

- **Deemed Venue is Registered office as meeting is through Video Conference**

b. **Financial year** of the Company is 1st April to 31st March of every year.

c. **Dividend payment date –** Not Applicable

d. **Listing on Stock Exchanges –** The Company's share are listed on the BSE Limited.

The BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street
Mumbai- 400001

Due to COVID-19, as there is no cashflow, the company could not meet the financial Commitments, however last year's listing fee (which was due last year) is paid during the year and will pay the listing fees for the year 2021-22 in due course with the interest.

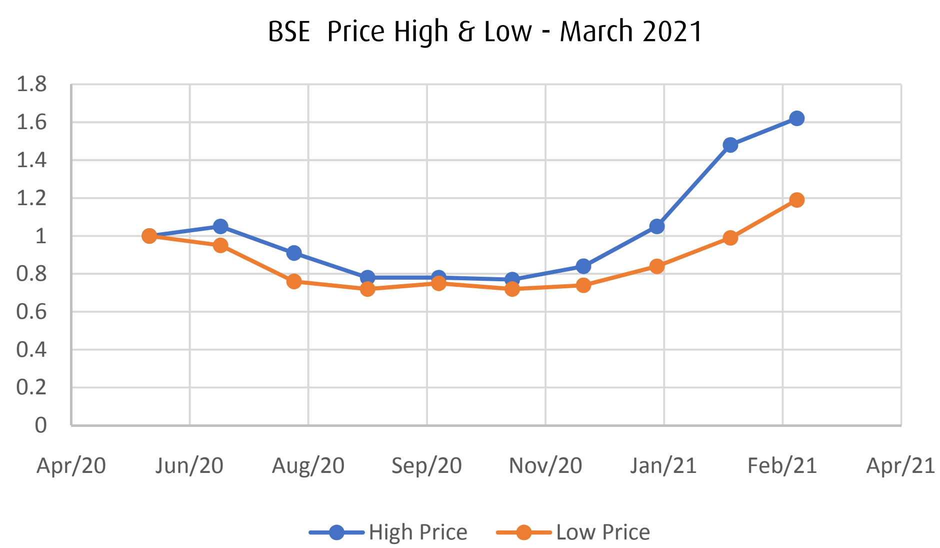
e. **Stock code –** 532355 for BSE.

f. **High and Low Market Price during each month in the accounting year was as follows:**

Month	High Price	Low Price
Jun-20	1	1
Jul-20	1.05	0.95
Aug-20	0.91	0.76
Sep-20	0.78	0.72
Oct-20	0.78	0.75
Nov-20	0.77	0.72
Dec-20	0.84	0.74
Jan-21	1.05	0.84
Feb-21	1.48	0.99
Mar-21	1.62	1.19

Note: No data available pertaining to month of April, 2020 and May, 2020 as there was no trading in shares. (Source: Stock Prices (bseindia.com))

g. **Performance in comparison to broad based indices of BSE Sensex**



h. There was no suspension of trading in Securities of the Company during the year under review.

i. Registrar to an issue and share transfer agents

M/s. Cameo Corporate Services Limited,
Subramanyam Building, 1,
Club House Road, Chennai 600 002
Phone: 91-44-28460390 | Fax: 91-44-28460129
E-mail: cameo@cameoindia.com

j. Share Transfer System

The Registrar and Share Transfer Agents of the Company viz., M/s. Cameo Corporate Services Limited, handle share transfers.

k. Distribution of Shareholding

Categories of Shareholders as on 31st March, 2021 was as follows:

CATEGORY	NO. OF SHARES	% TO SHARE CAPITAL
Promoters	37646654	72.05
FIIs and Financial Institutions/Banks	968508	1.8535
Private Corporate Bodies/ Indian Public	10914639	20.8143
NRIs / HUFs/Clearing Members/Others	2720199	0.3255
Custodians of GDRs	0	0.00
Grand Total	**52250000**	**100.00**

Distribution of Shareholding as at March 31, 2021

SL.NO	CATEGORY (SHARES)	NO. OF HOLDERS	% TO HOLDER	NO. OF SHARES	% TO EQUITY
1	1 - 5000	4670	88.3967	2821930	0.5400
2	5001 - 10000	225	4.2589	1863000	0.3565
3	10001 - 20000	141	2.6689	2207590	0.4225
4	20001 - 30000	48	0.9085	1250370	0.2393
5	30001 - 40000	30	0.5678	1091710	0.2089
6	40001 - 50000	37	0.7003	1752850	0.3354
7	50001 - 100000	60	1.357	4694570	0.8984
8	100001 and above	72	1.3628	5068179800	96.9986
	TOTAL	**5283**	**100.00**	**52250000**	**100.00**

l. Dematerialization of shares and liquidity

To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2021, 99.92% shares were held in dematerialized form.

m. There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on the date of March 31, 2021.

n. Commodity Price Risk or Foreign Exchange risk and hedging activities

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities; hence same are not applicable to the Company.

o. Plant locations

The Company does not have any plants.

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

q. List of all Credit ratings obtained by the entity - Nil

10. Other Disclosures

a. During the year 2020-21, there were no Material Significant Transactions i.e., transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. which have potential conflict with the interests of the Company at large. All related party transactions are intended to further the business interests of the Company. The transactions with the related parties are disclosed in the Note:40 to the Annual Accounts.

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

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

Other than this, the Company received the fine of Rs. 33, 040/- (Basic Fine: 28,000/- + GST: 5040/-) for delay submission of Secretarial Compliance Report for the year ended 31st March, 2021, under Regulation 24A of SEBI (LODR) Regulations, 2015, the Company has requested BSE for waiver of the said fine and was waiting for their positive response for the waiver of the said fine

c. The Whistle blower policy as approved and adopted by the Board of Directors provides adequate safeguards against victimization of employees and provides access to the Audit Committee**.** No personnel has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also available on the website of the Company viz., www.pvpcinema.com.

d. The Company has complied with all mandatory requirements of Corporate Governance i.e., Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. The link of website of the Company where policy for determining 'material' subsidiaries is available is http://pvpcinema.com/docs/other_statuatory_info/PolicyonMaterialSubsidiaries-PHML.pdf.

f. The link of website of the Company where policy on dealing with related party transaction is available is http://pvpcinema.com/docs/other_statuatory_info/RPTPolicy-PHML.pdf.

g. Disclosure of commodity price risks and commodity hedging activities. – **Not Applicable**

h. There were no funds raised through preferential allotments or qualified institutional placements as specified under Reg. 32(7A)

i. The Company has duly enclosed the certificate received from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Further the Company has enclosed for perusal.

j. During the financial year, the Board has accepted all the recommendations made by the Nomination & Remuneration Committee and Audit Committee.

k. M/s. Sundaram & Srinivasan, Chartered Accountants. is the statutory auditor of Picturehouse Media limited. Further, total amount of Rs. 7,50,000/- was paid to them for the relevant financial year.

l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - Nil

b. number of complaints disposed of during the financial year -Nil

c. number of complaints pending as on end of the financial year - Nil

11. The Company has complied with the requirements of the Schedule V, Corporate Governance report sub-paras (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. The Company has not adopted any of the Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. The Company has made all the disclosures for compliance with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 in the section Report on corporate governance of the annual report. Further, the Company has attached code to conduct, MD certificate and Secretarial Auditor certificate.

14. Disclosure with respect to Demat suspense account/ unclaimed suspense account – **Not applicable**

Other information useful for Shareholders:

a) Pursuant to SEBI circular dated April 20, 2018 shareholders whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the same to the RTA or the Company for registration in the folio.

b) In view of amendments to the Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, effective April 1, 2019, requests for effecting transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository, except in case of transmission or transposition of shares

c) Shareholders holding shares in physical form are requested to notify the Company in writing, any change in their address and Bank Account details under the signature of sole / first joint holder. Beneficial owners of shares in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their Depository Participants (DP) as the same are maintained by the DP.

d) SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to furnish their PAN details to their DP, if not already provided.

   Members holding shares in physical form are required to mandatorily submit the following to RTA.

   a. copy of their PAN, if not already provided; and

   b. copy of the PAN card of the transferee(s), members, surviving joint holder(s) / legal heir(s) while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates

For **Picturehouse Media Limited**

Sd/-

Prasad V. Potluri

Managing Director

Place: Chennai

Date: 11.08.2021

Code of Conduct for Directors and Senior Management

As the Managing Director of Picturehouse Media Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2020-21.

Sd/-
Prasad V. Potluri
Managing Director

Place: Chennai
Date: August 11, 2021

MD AND CFO CERTIFICATION

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as below:

To
The Board of Directors
Picturehouse Media Limited

We, Prasad V. Potluri, Managing Director and A. Praveen Kumar, Chief Financial Officer of Picturehouse Media Limited, to the best of our knowledge and information, and on behalf of the Company certify that:

a. We have reviewed financial statements and cash flow statement for year ended March 31, 2020 and that to the best of our knowledge and belief :

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d. During the year under reference we have indicated to the auditors and Audit committee-

   (i) there were no significant changes in the internal controls or overall financial reporting;

   (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and

   (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

For Picturehouse Media Limited

	Sd/-	Sd/-
Place: Chennai	**Prasad V. Potluri**	**A. Praveen Kumar**
Date: August 11, 2021	Managing Director	Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

TO
THE MEMBERS OF
PICTUREHOUSE MEDIA LIMITED

On account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and we have examined the records of the company shared to us electronically pertaining to the compliance of conditions of Corporate Governance by **PICTUREHOUSE MEDIA LIMITED** *("the Company")*, for the year ended on March 31, 2021, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] for the period 1st April, 2020 to 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, by the Directors, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except for:

- *not submitting the statement relating to Related Party Transactions to stock exchange on consolidated basis within 30 days from the date of publication of financial results for the half year ended on 31.03.2020.The company submitted the same on 31.08.2020 for the financial results published on 31.07.2020.*

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

Place: Hyderabad
Date: 25.08.2021

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967C000832987

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

Place: Hyderabad
Date: 25.08.2021

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967C000832965

ANNEXURE – 1

AOC - 1

Statement containing the salient features of the financial statements of subsidiaries

NAME*	DATE OF ACQUISITION	REPORTING PERIOD	REPORTING CURRENCY	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES	INVEST-MENTS	TURN-OVER	PROFIT / (LOSS) BEFORE TAXATION	PROVISION FOR TAXATION	PROFIT / (LOSS) AFTER TAXATION	PD**	% ***
PCPL	25/08/2015	31/03/2021	INR	300,000	(11,10,659)	18,701	8,29,360	-	-	(60,420)	-	(60,420)	-	100%
PCL	25/08/2015	31/03/2021	INR	250,000,000	(2,16,32,25,015)	33,71,24,453	2,25,03,49,468	-	-	(47,17,72,323)	-	(47,17,72,323)	-	100%

* **NAME OF THE SUBSIDIARY**

PVP Cinema Private Limited (PCPL)

PVP Capital Limited (PCL)

** **PROPOSED DIVIDEND**

*** **% OF SHAREHOLDING**

NOTE

1. Names of Subsidiaries which are yet to commence operations - PVP Cinema Private Limited

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]

To,
The Members,
PICTUREHOUSE MEDIA LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PICTUREHOUSE MEDIA LIMITED** (hereinafter called the company). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

On account of COVID – 19 Pandemic, we have not been able to carry out physical visit to the Registered Office of the Company and based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with us electronically and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(Not applicable to the Company during the period of audit)**;

   (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the period of audit)**;

   (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the period of audit)**;

   (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the period of audit)**;

   (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulations, 2013; - **(Not applicable to the Company during the period of audit); and**

   (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other Laws specifically applicable to the company include:

   i. The Cinematograph Act, 1952

   ii. The Cinematograph (Certification) Rules, 1983.

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013

   (ii) The Listing Agreement entered into by the Company with BSE Limited.

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

a. *The Company did not submit the related party transactions on a consolidated basis as per regulation 23(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2020 with the stock exchange within 30 days from the publication of financial results. The Company submitted the same on 31.08.2020 for the financial results published on 31.07.2020.*

b. *The Company had to give prior intimation as per Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020 about the meeting of Board of Directors in which the quarterly / annual financial results were to be considered for the period ended 31.03.2020 atleast 2 days in advance excluding the date of the intimation and date of the meeting. However, the same was intimated to Stock Exchange on 29.07.2020 for the Board meeting held on 31.07.2020*

c. *As per Regulation 30 read with Schedule III, Part A, Para A, sub clause 7A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to stock exchange about resignation of Statutory Auditors vide resignation letter dated 20.10.2020 which was received on 05.11.2020, within 24 hours of the receipt of resignation. However, this was intimated on 11.12.2020. Further the Company has not obtained the resignation in the format as prescribed in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.*

d. *As per Regulation 34(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to provide the Statement on Impact of Audit Qualifications in its Annual Report for the year ended 31st March, 2020 but the same has not been provided.*

e. *The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31st March, 2020 as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

f. *The Company was required to provide information as per the Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of explanatory statement to the notice of Annual General Meeting (AGM) where the Statutory Auditor is proposed to be appointed but the same has not been provided.*

g. *The Company did not publish the details in the newspapers as per Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 with respect to:*

   ➢ *Notice of the Board Meeting held on 31.07.2020 in which financial results for the period ended 31.03.2020 were considered.*

   ➢ *Financial results for the period ended 31.03.2020.*

h. *As per regulation 74(5) of SEBI (Depository Participants) Regulations, 2018 the Company was required to file the certificate issued by RTA with the Stock Exchange. However the Company has not filed the same for the quarter ended 31.03.2020.*

i. *As per Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B the Company did not intimate to stock exchange the details of closure of trading window for the quarter ended 31.03.2020 and for the quarter ended 31.12.2020 the intimation was made on 06.01.2021.*

j. *The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 to the stock exchange within prescribed / extended timelines. The Company filed the same on 03.07.2020.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

- 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). The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. As per the information and clarification provided to us negotiations are under way with bankers in respect of this proposed One Time Settlement.

Further, PVPCL has received communication from the Reserve Bank of India, (RBl) stating that the company has not maintained the mandatory amount of Net owned Fund of Rs.200 Lakhs. RBI has also instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration. As per the information and clarification provided to us there are no further developments on this and the company has not received any further communications from the RBI.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES
Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967C000832998

Place: Hyderabad
Date: 25.08.2021

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

'Annexure A'

To,
The Members,
PICTUREHOUSE MEDIA LIMITED

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

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

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES
Sd/-
CS MOHIT KUMAR GOYAL
PARTNER
FCS: 9967, CP NO: 12751
UDIN: F009967C000832998

Place: Hyderabad
Date: 25.08.2021

ANNEXURE – 3

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

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

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

   The CSR Policy and the activities undertaken for CSR is available on the Company's website www.pvpcinema.com

2. **The Composition of the CSR Committee.**

Corporate Social Responsibility Committee	
Mr. N. S. Kumar	Chairman
Mr. Sohrab Chinoy	Member
Mr. Prasad V. Potluri	Member

a) Computations:

Sl. No	Particulars	31.03.2020
1	Average Net Profits of the Company for last three financial years	NA
2	Prescribed CSR Expenditure in	-
3	Unspent Amount of the Previous years	822,110.00
4	Total Amount to be spent for the current financial year	-
5	Amount Spent During the Year	-
6	Amount Unspent (3+ 4- 5)	822,110.00

(c) Manner in which the amount spent during the financial year is detailed below: **N.A.**

Sl.No.	Particulars	
(1)	CSR project or activity identified	--
(2)	Sector in which the project is covered	--
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	--
(4)	Amount outlay (budget) project or programme wise	--
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	--
(6)	Cumulative expenditure up to the reporting period	--
(7)	Amount Spent direct or through implementing agency	--

The Company do not have any profits during the immediately preceding financial year. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year.

However, the company is required to spend Rs. 8.22 Lakhs for the financial year 2015-16 and the same will be expended in future years as the Company is not generating any revenue. The Company Secretary of the Company apprised the management on the penal provisions under Section 135 (7), the management has stated that, the amount unspent will be spent in the coming year or transferred to fund specified in Schedule VII of Section 135 of Companies Act, 2013.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. –** Not Applicable

7. **The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.**

Sd/-
Prasad V. Potluri
Managing Director

Sd/-
NS Kumar
Chairman of the Committee

Place : Chennai
Date : 11.08.2021

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

1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2020-21, the percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the financial year 2020-21.

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

2. The percentage decrease in Median Remuneration of employees of the company for the FY 2020-21 is Not Applicable.
3. The Company has 2 permanent employees on the rolls of the Company as on March 31, 2021.
4. Due to COVID-19 there was a cut in the remuneration of Senior KMP i.e., Mr. Praveen Kumar for a period 6 months i.e., from July, 2020

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

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

1. Top 10 employees of the Company based on Remuneration drawn for FY 2020-21:

Sl. No.	Name of the Employee	Age	Designation	Educational qualification	Date of Joining	Gross Remuneration
1	A. Praveen Kumar	41	GM - Finance & Accounts	MBA - Finance	27-05-2009	18,59,556
2	Saiteja Ivaturi	28	Company Secretary	CS	31-07-2020	4,50,000

2. There are no employees who were in receipt of remuneration in excess of Rs. 1 crore and 2 lakhs who were employed throughout the financial year.
3. There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of Rs. 8,50,000 per month.

STANDALONE FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Members of Picturehouse Media Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of **Picturehouse Media Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below including the disclosure of "Material Uncertainty Related to Going Concern",* the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2021, and its loss including other comprehensive income, its changes in equity and cash flows for the year ended on that date.

Basis for Qualified Opinion

1. *Attention is invited to note no. 28 to the Standalone Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 1324.37 lakhs) amounting to Rs. 3632.79 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The company's Board is of the view that advances can be realized at the time of release of the movies and accordingly, it is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2021. 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, 2021 is understated.*

   In respect of an advance of Rs. 262.50 lakhs made to one party during the year, the company has not produced any documentary evidence including confirmation of balance. Hence, we are not in a position to certify the nature of transaction and related internal financial control.

2. *Attention is invited to note no. 29 to the Standalone Financial Statements, in relation to inventory i.e., films production expenses amounting to Rs. 4955.64 Lakhs, mainly consists of advances granted to artists and co-producers. As the film's production has not commenced and / or completed, the advances made are continued to be carried as inventory. However, the Board states that it is evaluating options for maximum utilization of these payments. In the absence of documentary evidence towards commencement and/or completion of production of films and also in the absence of confirmation of balances from the parties, 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. 30 to the Standalone Financial Statements, in relation to Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL)*

   The subsidiary's net worth stands at Rs. 19,132.25 lakhs (negative) as at 31.03.2021. 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 nos. 31 & 33 to the Standalone Financial Statements, in relation to preparation of financial results on "Going Concern Basis".*

   Without carrying any major business activity, incurring continuous losses from operations, adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, the impact of outbreak of Coronavirus (COVID -19) on the business operations of the company 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.

5. *Attention is invited to note no. 32 to the Standalone Financial Statements, Penalty of Rs. 7.60 lakhs levied by the Bombay Stock Exchange. The financial statements pertaining to the year ended March 31, 2020 ought to have been restated to comply with Ind AS 8.*

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

Emphasis of Matter

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

The ultimate parent company of the borrower has also furnished a guarantee of Rs. 10,000 lakhs and also offered a landed property whose market value is approximately Rs. 18,000 lakhs. The borrowings outstanding together with interest is Rs. 20,012.67 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

Our Opinion is not modified in respect of this matter.

Key Audit Matters

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

Contingent Liabilities in relation to Service Tax Litigations

Key Audit Matter	Auditor's Response
The Company has received certain demand orders and notices relating to service tax matters. The company is contesting these demands (refer note no.37 to the standalone financial statements). There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants where ever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported loss and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analyzing the facts of subject matter under consideration and judgements/interpretation of law involved.	Our audit procedures included the following: (i) Understanding the current status of the service tax litigations. (ii) Examining recent orders and/or communication received from various service tax authorities and follow up action thereon. (iii) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and (iv) Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on service tax issues.

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

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. 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; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter:

Corresponding figures for the year ended March 31, 2020, included in the financial statement are based on the audit by our predecessor, who have expressed modified opinion vide their report dated July 31, 2020. We have accepted those figures and reports, by verifying relevant records of the company for the purpose of our opinion on this statement.

Our conclusion is not modified in respect of the said matter for the purpose of our opinion.

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"** 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 purpose of our audit.

b) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion, aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014

e) The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the company.

f) On the basis of written representations received from the directors as on 31^{st} March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31^{st} March 2021, from being appointed as a director in terms of Section 164(2) of the Act.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

h) With respect to the adequacy of the Internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and

i) In accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, during the year, the company has not paid remuneration to the directors in accordance with the provisions of section 197 of the Companies Act 2013. Therefore, the question of remuneration paid to the directors over and above the limits laid down under this section doesn't arise.

j) With respect to the other matters to be included 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 has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer note no.37 to the Standalone Financial Statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

   iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the Standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these Standalone Ind AS financial statements since they do not pertain to the financial year ended March 31, 2021.

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

Sd/-
Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAAEB6636

Place: Chennai
Date : June 22, 2021

Annexure - A to the Independent Auditors' Report

Referred to in Clause 1 of **"Report on Other Legal and Regulatory Requirements"** Paragraph of the Independent Auditors' Report of even date the members of **Picturehouse Media Limited** on the Standalone Financial Statements as of and for the year ended 31st March, 2021.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property in its name and hence clause (c) of paragraph 3(i) of the Order is not applicable to the Company.

ii. As explained to us by the management, the company is a service company, namely film production. The film production/ making of content require various types, qualities of content related consumable and inputs. Due to the multiplicity and complexity of the items, it is not practicable to maintain the quantitative records/ continuous stock register. All the purchases of content related consumable/consumables are treated as consumed. In view of this, the company does not maintain stock register and also does not carry out physical verification of stock. However, the management physically verifies the finished content copyrights of Programs/ Film rights with reference to title documents/agreements in hand at the end of the year.

iii. The company has granted unsecured, interest free advance to two parties (wholly owned subsidiaries), covered in the register-maintained u/s 189 of the Act. The company has treated it as deemed investment made as prescribed under Ind AS. (Total advance granted and outstanding as at March 31, 2021 is Rs. 2,772.11 lakhs). The terms of repayment of principal are not stipulated.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans granted, investments made, guarantees furnished and securities given, as applicable.

v. The Company has not accepted any deposit as mentioned in the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder to the extent applicable. Accordingly, the paragraph of clause 3(v) of the order is nor applicable. Further, no order has been passed by Company law Board (CLB) or National Company Law Tribunal (NCLT) or Reverse Bank of India or any court or any other Tribunal against the Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

vii. *(a) According to the records furnished to us, the company is generally regular in depositing undisputed statutory dues like Provident Fund, Employees' State Insurance, Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Services Tax, Cess and other statutory dues with appropriate authorities wherever applicable. We have observed belated remittance of Provident Fund (PF) and Tax Deducted at Source (TDS).*

Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of Arrears of Statutory Dues Outstanding dues More than Six Months (₹ in Lakhs)

Name of the Statue	*Nature of Dues*	*Amount*	*Period to which relates*	*Date of payment*
The Finance Act, 1994	*Service Tax*	*4.69*	*RCM payable as on 31.03.2017*	*Yet to be remitted*
The Income Tax Act, 1961	*Tax Deducted at Source*	*504.46*	*April 2016 to August, 2020*	*Yet to be remitted*
The Income Tax Act, 1961	*Interest on Tax Deducted at Source*	*151.19*	*April 2016 to March, 2020*	*Yet to be remitted*
Goods and Service Act, 2017	*Goods and Service Tax*	*7.83*	*April, 2019 to August, 2020*	*Yet to be remitted*
Goods and Service Act, 2017	*Interest on GST Payable*	*5.96*	*April, 2017 to March, 2019*	*Yet to be remitted*

(b) According to the information and explanations given to us, the details of dues of Service Tax which is not deposited on account of dispute as on 31st March, 2021 is given below:

(₹ in Lakhs)

Name of the Statue	***Nature of Dues***	***Tax amount Disputed***	***Period to which relates***	***Forum where dispute is pending***
The Finance Act, 1994	*Service Tax*	*1,604.76 (Includes penalty of 802.43)*	*F.Y. 2011-12 to F.Y 2014-15*	*Customs, Excise and Service Tax Appellate Tribunal*
The Finance Act, 1994	*Service Tax*	*155.42 and penalty of 15.64*	*F.Y. 2015-16 to FY 2017-18 (Till June, 2017)*	*Customs, Excise and Service Tax Appellate Tribunal*
The Finance Act, 1994	*Service Tax*	*117.58*	*F.Y. 2015-16*	*Customs, Excise and Service Tax Appellate Tribunal*

viii. In our opinion and according to the information and explanations given to us, the company has not borrowed loan from the Government or banks or financial institutions nor has issued debentures.

ix. The company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Therefore, provisions of clause (ix) of Paragraph 3 of the Order are not applicable.

x. According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees or by the company has been noticed or reported during the course of our audit.

xi. During the year company has not paid any managerial remuneration as per section 197 of the Companies Act 2013. Therefore, the provisions of clause 3(xi) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the 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 Standalone Financial Statements as required under 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. Therefore, the provisions of clause 3(xiv) of the companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.

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. Therefore, the provisions of Clause (xv) of Paragraph 3 of the Order are not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Sd/-
Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAAEB6636

Place: Chennai
Date : June 22, 2021

Annexure B to the Independent Auditor's 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 **Picturehouse Media Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, subject to note no.31 to these financial statements in relation to preparation of financial statements on "going concern", the projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the standalone financial statements as at 31st March, 2021:

"The company's internal financial control with regard to assessment of carrying value of investments, loans and advances and inventory as more fully explained in note nos. 28, 29 & 30 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".

Attention is also invited to point no. 1 in basis of our qualified opinion in our main report.

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

In our opinion, *except for the possible effects of the material weakness described above* on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31^{st} March, 2021, based on internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Sd/-
Venkatasubramanian.S
Partner
Membership Number : 219238
UDIN: 21219238AAAAEB6636

Place: Chennai
Date : June 22, 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Property, Plant and Equipment	4	75.68	41.26
	(b) Financial Assets			
	(i) Investments	5	2,526.76	2,526.50
	(ii) Loans	6	10.23	11.32
	(c) Other non current assets	7	93.10	486.11
	Total Non Current Assets (a)		**2,705.77**	**3,065.19**
(2)	**Current assets**			
	(a) Inventories	8	4,955.64	4,894.43
	(b) Financial Assets			
	(i) Trade receivables	9	8.52	21.10
	(ii) Cash and cash equivalents	10	15.78	3.62
	(iii) Loans	11	2,593.42	2,445.45
	(iv) Other financial assets	12	1,336.23	1,434.07
	(c) Other current assets	13	114.08	94.66
	Total Current Assets (b)		**9,023.67**	**8,893.33**
	Total Assets (c) = (a) + (b)		**11,729.44**	**11,958.52**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	14A	5,225.00	5,225.00
	(b) Other Equity	14B	(4,116.19)	(4,032.23)
	Total Equity (d)		**1,108.81**	**1,192.77**
II	**LIABILITIES**			
(1)	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	7,138.11	7,085.38
	(b) Provisions	16	12.82	8.20
	(c) Deferred tax liabilities (Net)		-	-
	Total Non Current Liabilities (e)		**7,150.93**	**7,093.58**
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	17	-	253.19
	(ii) Trade payables			
	(A) total outstanding dues of micro enterprises and small enterprises			
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	32.34	46.82
	(iii) Other financial liabilities	19	2,670.90	2,664.32
	(b) Other current liabilities	20	766.46	696.09
	(c) Provisions	21	-	11.75
	Total Current Liabilities (f)		**3,469.70**	**3,672.17**
	Total Equity and Liabilities (g) = (d) + (e) + (f)		**11,729.44**	**11,958.52**

Summary of Significant Accounting Policies **2**

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

	Particulars		Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	Revenue from operations		**22**	1.43	1,447.63
II.	Other income		**23**	137.36	53.75
III.	**Total Income (I + II)**			**138.79**	**1,501.38**
IV.	**Expenses:**				
	a.	Cost of film production expenses	**24**	3.03	987.04
	b.	Purchases of Stock-in-Trade		-	-
	c.	Changes in inventories of finished goods, Stock-in-Trade and work-in-process		-	-
	d.	Employee benefits expenses	**25**	31.54	55.31
	e.	Finance costs	**26**	97.05	993.48
	f.	Depreciation and amortization expenses	**4**	33.05	35.89
	g.	Other expenses	**27**	59.38	81.85
	Total expenses (IV)			**224.05**	**2,153.57**
V.	**Profit/(Loss) before exceptional items and tax (III - IV)**			**(85.26)**	**(652.19)**
VI.	Exceptional items			-	-
VII.	**Profit/(Loss) before tax (V - VI)**			**(85.26)**	**(652.19)**
VIII.	**Tax Expenses**				
	(1)	Current tax		-	-
	(2)	Deferred Tax (Asset) / Liability		-	-
	(3)	Income tax - earlier years		-	0.40
	Total Tax Expenses			**-**	**0.40**
IX.	**Profit/(Loss) for the year (VII - VIII)**			**(85.26)**	**(652.59)**
X.	**Other Comprehensive Income:**				
	(A)	**Items that will not be reclassified to profit and loss**		**-**	
		- Remeasurement of defined benefit obligation		1.30	5.64
		Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
				1.30	5.64
	Items that will be reclassified to profit and loss			**-**	**-**
	Other Comprehensive income, net of tax (X)			**1.30**	**5.64**
XI.	**Total Comprehensive income for the year (IX + X)**			**(83.96)**	**(646.95)**
XII.	**Earnings per equity share of face value Rs. 10 each :**				
	(1) Basic and diluted (not annualised) (Rs.)			**(0.16)**	**(1.25)**

Summary of Significant Accounting Policies **2**

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021 (₹ in Lakhs)

	Particulars		Year ended Mar 31, 2021	Year ended Mar 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before Tax		(85.26)	(652.19)
	Adjustments for:			
	Depreciation and Amortization		33.05	35.89
	(Profit) / Loss on sale of asset (net)		(2.67)	-
	Fair Value of investments through Profit and Loss		(0.26)	(0.33)
	Payable written up		(108.64)	-
	Provision for expenses no longer required - written up		(18.86)	-
	Unwinding of Interest income on rental deposits		(2.75)	-
	Interest on Staff advance		(0.79)	-
	Sundry creditors written up		(3.22)	(3.80)
	Provision for diminution in value of Investments		-	1.36
	Provision for Doubtful Advances and Debtors		0.11	19.19
	Provision for Employee Benefits		(5.83)	(0.25)
	Interest Income		-	(206.47)
	Interest Expenses		6.26	939.78
	Cash Generated Before Working Capital Changes		**(188.86)**	**133.18**
	Movement In Working Capital			
	Increase / (Decrease) in Trade Payables		(11.26)	8.59
	Increase / (Decrease) in Other Financial Liabilities		85.83	10.78
	Increase / (Decrease) in Other Liabilities		70.37	159.12
	(Increase) / Decrease in Trade Receivables		12.36	(21.10)
	(Increase) / Decrease in Loans		114.50	1.19
	(Increase) / Decrease in Inventories		(61.21)	171.82
	(Increase) / Decrease in Other Financial Assets		99.72	65.71
	(Increase) / Decrease in Other Assets		(19.42)	(26.29)
	Cash Generated From Operations		**102.03**	**503.01**
	Direct Taxes Refund		393.01	-
	Direct Taxes Paid		-	(6.14)
	Net Cash Flow From / (Used in) Operating Activities	**(A)**	**495.04**	**496.87**
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**			
	Purchase of PPE, Intangible Assets and Investment Property		-	(0.35)
	Repayment/(Advances) made for Film Production		(262.47)	625.01
	Proceeds from sale of asset		2.84	-
	Investments in /advance to subsidiary companies		0.11	(1.50)
	Interest Income Received		-	142.26
	Net Cash Flow From / (Used in) Investing Activities	**(B)**	**(259.52)**	**765.42**

STANDALONE CASH FLOW STATEMENT(Contd.)

(₹ in Lakhs)

	Particulars		Year ended Mar 31, 2021	Year ended Mar 31, 2020
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**			
	Proceeds from/(to) Short - Term Borrowings (Net)		(253.19)	203.19
	Payment of lease liabilities (Including interest thereon)		(22.90)	(26.48)
	Proceeds from Long Term Borrowings		52.73	800.07
	Repayment of Long Term Borrowings		-	(1,580.76)
	Interest Paid		-	(661.38)
	Net Cash Flow From / (Used in) Financing Activities	**(C)**	**(223.36)**	**(1,265.36)**
	Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	12.16	(3.07)
	Cash and Cash Equivalents at the beginning of the year		3.62	6.69
	Cash and Cash Equivalents at the end of the year		**15.78**	**3.62**
	Components of Cash and Cash Equivalents			
	Cash in Hand		0.60	0.03
	Balances with Banks			
	-In Current Accounts		15.18	3.59
	Cash and cash Equivalent		**15.78**	**3.62**
	Summary of Significant Accounting Policies	**2**		

Notes:

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

(₹ in Lakhs)

Particulars	As at April 01, 2020	Cash Flows	Non- Cash Changes	As at March 31, 2021
			Book Adjustments	
Long Term Borrowings	7,085.38	52.73	-	7,138.11
Short term Borrowings	253.19	(253.19)	-	-
Other Financial Liabilities	874.36	-	(31.65)	842.71
Total Financial Liabilities	**8,212.93**	**(200.46)**	**(31.65)**	**7,980.82**

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

Standalone Statement of Changes in Equity for the Year Ended 31st March 2021

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
Balance as at 1st April, 2019	**14A**	**5,225.00**
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2020	**14A**	**5,225.00**
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2021	**14A**	**5,225.00**

B. Other Equity (Refer note no 14B)

Particulars	Reserves & Surplus			Other Items of Other Comprehensive Income	Total Equity Attributable to Equity holders of the company
	Capital Reserve	Securities Premium	Retained Earnings		
Balance as on 01st April, 2019	**22.88**	**182.50**	**(3,593.66)**	**17.17**	**(3,371.11)**
Changes in equity for the year ended 31st March, 2020					**-**
Transferred to General Reserve	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	5.64	5.64
Transition Provision to Ind AS 116	-	-	(14.17)	-	(14.17)
Profit / (loss) for the year	-	-	(652.59)	-	(652.59)
Balance as on 31st March, 2020	**22.88**	**182.50**	**(4,260.42)**	**22.81**	**(4,032.23)**
Balance as on 01st April, 2020	**22.88**	**182.50**	**(4,260.42)**	**22.81**	**(4,032.23)**
Changes in equity for the year ended 31st March, 2021					**-**
Transferred to General Reserve	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	1.30	1.30
Transferred to retained earnings			24.11	(24.11)	-
Profit / (loss) for the year	-	-	(85.26)	-	(85.26)
Balance as on 31st March, 2021	**22.88**	**182.50**	**(4,321.57)**	**-**	**(4,116.19)**

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

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

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
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Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

1. Corporate Information

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

The standalone financial statements for the year ended March 31, 2021 (Including comparatives) are duly adopted by the Board of Directors in the meeting held on June 22, 2021 by video conferencing for consideration and approval by the shareholders.

2. Significant Accounting Policies

Basis of Preparation of Financial Statements

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

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

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

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

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

Current/ Non Current Classification:

An asset is classified as current when

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

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

A liability is classified as current when

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

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

a) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

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

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

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

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

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

b) Impairment of Property, Plant & Equipment:

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

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

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

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

c) Inventory

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

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

d) Foreign Currency Translation:

Initial Recognition

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

Measurement of foreign currency items on reporting date

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

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

e) Leases

The company as a Lessee

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

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

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

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

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

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

The company as a Lessor

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

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

Lease-hold land:

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

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

f) Financial Instruments

1) **Initial Recognition**

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

2) **Subsequent Measurement**

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

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

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

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

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

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

iv) **Investment in Subsidiaries**

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

v) **Financial Liability**

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

3) **Derecognition of financial instruments**

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

4) **Impairment of Assets**

Financial Assets (other than at fair value):

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

5) **Fair value of Financial Instruments**

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

Fair value hierarchy:

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

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

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

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

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

g) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are not recognized in the financial statements.

h) Revenue Recognition

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

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

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

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

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

2) Interest income is accrued on time basis, by reference to the principle outstanding and at the effective interest rate applicable.

3) Dividend from investments is accounted for as income when the right to receive dividend is established.

i) Employee Benefits

Gratuity

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

Compensated Absences

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

Other Benefit Plans

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

j) Taxes on Income

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

i) **Current Income Tax**

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

ii) **Deferred Tax Asset / Liability**

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

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

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

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

k) Borrowing Costs

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

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

l) Earnings per Share

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

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

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

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

m) Cash Flow Statement:

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

n) Exceptional Items

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

o) Segment Reporting

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

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

The Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021 has amended the following Indian Accounting Standards (Ind AS).

(i) Ind AS 101 – First time adoption of Indian Accounting Standards

(ii) Ind AS 102 – Share based payment

(iii) Ind AS 103 – Business Combinations

(iv) Ind AS 104 – Insurance Contract

(v) Ind AS 105 – Non-current assets held for sale and discontinued operations

(vi) Ind AS 106 – Exploration and evaluation of Mineral Resources

(vii) Ind AS 107 – Financial Instruments - disclosures

(viii) Ind AS 109 – Financial Instruments

(ix) Ind AS 111 – Joint arrangements

(x) Ind AS 114 – Regulatory deferral accounts

(xi) Ind AS 115 – Revenue from Contracts with Customers

(xii) Ind AS 116 – Leases

(xiii) Ind AS 1 – Presentation of financial statements

(xiv) Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.

(xv) Ind AS 12 – Income Taxes

(xvi) Ind AS 16 – Property, plant and equipment

(xvii)Ind AS 27 – Separate Financial Statements

(xviii) Ind AS 28 – Investments in Associates and Joint Ventures

(xix) Ind AS 34 – Interim Financial Reporting

(xx) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

(xxi) Ind AS 38 -Intangible assets

The amendments to the above-mentioned standards (other than amendments relating to Ind AS 116) are prospective.

Therefore, the amendments are not applicable for the year ended March 31,2021.

3. Critical accounting estimates and judgements

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

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

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

- **Accounting for the film content**: Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Company is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to statement of profit and loss as well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.

- **Valuation of Investments in/Loans to subsidiaries:** The company has performed valuation for its investments in equity of subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investment in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans thereon. The inputs to these models are taken from observable markets where possible, but where is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.

- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

Notes to Standalone Financial Statements for the Year Ended 31st March 2021

Note 4 : Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Plant and Equipment	Computers and Related Assets	Furniture and Fixtures	Vehicles	Office Equipments	Right to Use Building	Total
Gross Block							
Gross Carrying value as on 1st April, 2019	**1.22**	**16.47**	**18.35**	**99.35**	**70.31**	**-**	**205.70**
Additions	-	0.35	-	-	-	17.12	17.47
Disposals	-	-	-	-	-	-	-
Gross Carrying value as on 31st March, 2020	**1.22**	**16.82**	**18.35**	**99.35**	**70.31**	**17.12**	**223.17**
Additions	-	-	-	-	-	67.64	67.64
Disposals	-	-	-	62.77	7.57	-	70.34
Gross Carrying value as on 31st Mar, 2021	**1.22**	**16.82**	**18.35**	**36.58**	**62.74**	**84.76**	**220.47**
Accumulated Depreciation							
Accumulated Depreciation as on 1st April, 2019	**1.14**	**14.03**	**10.63**	**55.39**	**64.83**	**-**	**146.02**
For the year							
Depreciation	-	0.24	1.79	18.63	0.56	14.67	35.89
Depreciation on disposals	-	-	-	-	-	-	-
Accumulated Depreciation as on 31st March, 2020	**1.14**	**14.27**	**12.42**	**74.02**	**65.39**	**14.67**	**181.91**
For the year							
Depreciation for the year	-	0.12	1.90	11.47	0.09	19.47	33.05
Depreciation on disposals	-	-	-	62.77	7.40	-	70.17
Accumulated Depreciation as on 31st Mar, 2021	**1.14**	**14.39**	**14.32**	**22.72**	**58.08**	**34.14**	**144.79**
Net carrying amount							
As at 31st March, 2020	0.08	2.55	5.93	25.33	4.92	2.45	41.26
As at 31st March, 2021	**0.08**	**2.43**	**4.03**	**13.86**	**4.66**	**50.62**	**75.68**

Note 5 : Financial Assets

Particulars		As at 31st March 2021	As at 31st March 2020
Investments			
Non Current Investments			
Investment carried at deemed cost, fully paid up			
a) Investment in equity instruments, Subsidiaries- Unquoted			
PVP Cinema Private Limited, Chennai - 30,000 equity shares (Last year 30,000 nos.) of Rs.10/- each [100% Holding].		503.37	503.26
PVP Capital Limited, Chennai - 2,50,00,000 equity shares (Last year 2,50,00,000 nos.) of Rs.10/- each [100% Holding]. (Refer note no.30)		2,521.74	2,521.74
TOTAL		**3,025.11**	**3,025.00**
Less:			
Provision for dimunition in value of investment in a subsidiary viz. PVP Cinema Private Limited, Chennai		503.37	503.26
TOTAL	**(A)**	**2,521.74**	**2,521.74**
Investments carried at Fair value through Profit or Loss			
b) Investment in Units of Mutual Fund			
15,176.50 units @ Rs. 33.098 per unit of Canara Robeco Saving Fund - Regular Growth (FRGP)		5.02	4.76
(Last year 15,176.50 units)	**(B)**	**5.02**	**4.76**
	(A+B)	**2,526.76**	**2,526.50**

Notes to Standalone Financial Statements for the Year Ended 31st March 2021

(Rs in Lakhs)

Movement in investments as at 31st March 2021	Investment as at 1st April, 2020	Fair value of Interest free loan	Investment as at 31st March, 2021
PVP Cinema Private Limited	**3.00**	503.37	503.37
PVP Capital Limited	**250.00**	2,271.74	2,521.74
Total	**253.00**	**2,775.11**	**3,025.11**

Movement in investments as at 31st March 2020	Investment as at 1st April, 2019	Fair value of Interest free loan	Investment as at 31st March, 2020
PVP Cinema Private Limited	**3.00**	500.37	503.37
PVP Capital Limited	**250.00**	2,271.74	2,521.74
Total	**253.00**	**2,772.11**	**3,025.11**

Particulars	As at 31st March 2021	As at 31st March 2020
Disclosure pursuant to section 186(4) of Companies Act, 2013:		
The amount was advanced to the wholly owned subsidiary to meet the expenditure related to business.		
Aggregate of Non Current Investments		
Aggregate amount of quoted investments (Market value Rs.5.02 Lakhs)	5.02	4.76
Aggregate amount of unquoted investments	3,025.11	3,025.00
Aggregate amount of impairment in value of investments	(503.37)	(503.26)
	2,526.76	**2,526.50**

Note 6 : Loan (Non - Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good, Unsecured		
Security Deposits - (Rental Deposits)	10.23	11.32
	10.23	**11.32**

Note 7 : Other Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Non Current		
Tax Deducted at Source(TDS) Receivable	5.61	398.62
Taxes Paid Under protest (refer note no.37)	87.49	87.49
	93.10	**486.11**

Note 8 : Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Film Production -in- progress (refer note no.29)	4,955.64	4,894.43
(Valued at lower of cost or net realisable value - as certified by management)		
	4,955.64	**4,894.43**

Notes to Standalone Financial Statements for the Year Ended 31st March 2021

Note 9 : Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
Unsecured - Considered Good	8.52	21.10
Credit Impaired	566.78	567.09
Sub-Total	**575.30**	**588.19**
Less: Provision for Doubtful Debtors	566.78	567.09
	8.52	**21.10**

Note 10 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with banks		
In Current Accounts	15.18	3.59
Cash on hand	0.60	0.03
	15.78	**3.62**

Note 11 : Loans

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
Secured - Considered Good		
Advance for Film Production (refer note no.28)*	2,570.92	2,308.45
Unsecured - Considered Good		
Advances for Staff	22.50	137.00
Loans receivables - credit Impaired		
Advances for Others	50.31	58.89
Less: Provision for Doubtful Advances	(50.31)	(58.89)
	2,593.42	**2,445.45**

Note 12 : Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
Interest accrued on		
- Staff advance(s)	11.86	63.48
- Advance for film production (refer note no. 28)	1,324.37	1,324.37
Interest receivable on income tax refund	-	46.22
	1,336.23	**1,434.07**

Note 13 : Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Prepaid expenses	1.34	0.46
(b) Balance with Government Authorities		
Goods and Services Tax	112.74	94.20
	114.08	**94.66**

*Advance for film production includes loan book amounting to Rs.2,570.92 lakhs as at March 31, 2021 hypothecated with bank for credit facility availed by one of the subsidiaries. The interest rate is charged at One Year MCLR + 4.80% i.e. 14.15% (Floating) which is repayable on demand.

Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

Note 14A : Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital		
8,00,00,000 Equity Shares of Rs. 10/- each	8,000.00	8,000.00
Issued, Subscribed and Paid Up		
5,22,50,000 equity shares of Rs. 10 each	5,225.00	5,225.00
	5,225.00	**5,225.00**

(b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,58,89,405 equity shares (as at 31st March 2020 - 2,58,89,405 equity shares) in the Company.

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

Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of shares	% held	No. of shares	% held
PVP Ventures Limited, Chennai *	2,353,114	4.50%	2,353,114	4.50%
Jhansi Sureddi, Hyderabad	11,757,249	22.50%	11,757,249	22.50%
Rayudu Media Projects Private Limited, Hyderabad	4,506,490	8.62%	4,506,490	8.62%
PVP Global Ventures Private Limited, Chennai	11,236,641	21.51%	11,236,641	21.51%
PVP Media Ventures Private Limited, Chennai	12,299,650	23.54%	12,299,650	23.54%

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

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of shares	Amount	No. of shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	5,225	52,250,000	5,225
Add: Number of Shares allotted during the year	-	-	-	-
Less: Number of Shares bought back	-	-	-	-
Number of equity shares outstanding at the end of the year	**52,250,000**	**5,225**	**52,250,000**	**5,225**

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

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

(f) The company has not issued any bonus shares, nor has issued shares for consideration other than cash and nor has bought back shares during the period of five years immediately preceding the reporting date i.e. 31.03.2021.

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

Note 14B : Other Equity

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Other Equity		
- Capital Reserve	22.88	22.88
- Security Premium	182.50	182.50
- General Reserve	-	-
- Retained Earnings	(4,321.57)	(4,260.42)
Other Comprehensive Income		
- Other Items of OCI	-	22.81
Total	**4,116.19**	**(4,032.23)**

Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

Note 15 : Financial Liabilities (Non - Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (Unsecured) - from company		
- Related Party (refer note no. 40(c))	106.00	-
- Others	7,032.11	7,085.38
	7,138.11	**7,085.38**

1. The company has availed a loan from a related party which is repayable at the time of release of movies and interest rate is charged at 12% p.a.
2. The company has availed a loan from a Company which is repayable based on the availability of funds and interest rate is charged at 12% p.a on daily average balances. However, the lender has waived off the interest for the financial year 2020-2021.

Note 16 : Provisions (Non - Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Employee Benefits - Gratuity*	12.82	8.20
	12.82	**8.20**

Note 17 : Financial Liabilities (Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured - from		
- a Company	-	50.00
- a Subsidiary company (refer note no. 40(d))	-	28.19
- Others - Related party (refer note no. 40(c))	-	175.00
	-	**253.19**

Details of loans and terms of repayment - Current Borrowings

1. The company has availed a loan from a company which is repayable on demand and interest rate charged is 18% p.a.
2. The company has availed an interest free unsecured loan from a susbisidary company which is repayable on demand.
3. The company has availed a loan from others which is repayable on demand and interest rate charged at 12% p.a

Note 18 : Trade Payables (Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
For services	32.34	46.82
	32.34	**46.82**

Note 19 : Other Financial Liabilities (Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued and due on borrowings#	842.71	874.36
Lease Liability (refer note no.34(c))	53.06	4.81
Employee related	-	2.91
Other payables to a subsidiary company* (refer note no - 40(d))	1,775.13	1,761.76
Expenses Payable	-	20.48
	2,670.90	**2,664.32**

includes interest payable to a Related party amounting to Rs. 0.97 lakhs (net of TDS) (last year - Nil)
* The subsidiary company has assigned the debts to the company, which is repayable on demand.

Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

Note 20 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance		
- Advance from theatrical exhibitor	-	25.00
Others		
- Statutory Dues	758.86	671.09
- Penalty	7.60	-
	766.46	**696.09**

Note 21 : Provisions (Current)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Gratuity *	-	3.88
Compensated absences **	-	7.87
	-	**11.75**
***Movement in Provision for Employee Benefits - Gratuity**		
Balance at the beginning of the year (Non-Current)	12.08	11.85
Balance at the beginning of the year (Current)	-	3.54
Sub-Total	**12.08**	**15.39**
Add: Provision made during the year	2.04	2.33
Less: Provision utilized / reversed during the year	1.30	5.64
Balance at the end of the year	**12.82**	**12.08**
Non-Current	**12.82**	**8.20**
Current	**-**	**3.88**
****Movement in Provision for Employee Benefits - Compensated absences**		
Balance at the beginning of the year	7.87	10.45
Add: Provision made during the year		
Lesss: Provision utilized / reversed during the year	7.87	2.58
Balance at the end of the year	**-**	**7.87**

Note 22 : Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from distribution and exhibition of film and other rights	1.43	1,241.16
Other Operating Income		
Interest on film advance (Refer note no. 36)	-	206.47
	1.43	**1,447.63**

Note 23 : Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income on Income Tax Refund	-	46.22
Payable written up	111.86	-
Profit on Sale of Asset	2.84	-
Sundry Creditors written back	-	3.80
Interest on Advances to Staff	0.79	-
Provision no longer required written up	18.86	1.35
Fair value of investment in units of mutual fund	0.26	0.33
Unwinding of Interest income on rental deposits	2.75	2.05
	137.36	**53.75**

Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

Note 24 : Cost of Film Production Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Balance	4,894.43	5,066.25
Add: Current year Film Production Expenses	64.24	815.22
	4,958.67	**5,881.47**
Less: Closing Balance	4,955.64	4,894.43
	3.03	**987.04**

Note 25 : Employee Benefit Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	29.16	51.91
Gratuity (Refer note no. 42(a))	2.04	2.33
Contribution to provident fund	0.20	0.91
Welfare expenes	0.14	0.16
	31.54	**55.31**

Note 26 : Finance Cost

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Borrowings	-	939.78
Interest on lease liability	6.26	2.92
Interest others	90.79	50.78
	97.05	**993.48**

Note 27 : Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent	0.41	0.15
Insurance	1.35	1.40
Power and Fuel	3.87	3.75
Printing and Stationery	0.55	0.12
Communication Expenses	1.31	2.02
Repairs and Maintenance		
- Vehicles	2.40	4.95
- Others	0.69	0.34
Registration Charges	-	0.01
Rates and taxes	2.71	8.44
Payments to auditors		
- for statutory auditor	7.50	9.50
- for reimbursement of expenditure	0.15	-
- for tax audit	-	2.50
- for certification charges *	2.00	3.00
Directors Sitting Fees	4.25	2.40
Legal, Professional and consultancy	8.71	7.17
Membership Fee	0.08	0.03
Office Maintenance	3.84	3.75
Advertisement, publicity and sales promotion	2.54	2.81
Bank Charges	0.04	0.11
Investor related expenses including Listing Fees	6.67	7.51
Penalty	7.60	-
Travelling Expenses including Conveyance	2.43	2.70
Loss on sale of assets	0.17	-
Provision for advances made	0.11	19.19
	59.38	**81.85**

*Current year - paid to the previous statutory auditors

Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Notes to Accounts

28. The current assets of the company include loans and advances amounting to Rs.3,895.29 lakhs (including interest amount of Rs. 1324.37 lakhs). The Board is confident of realizing the value at which they are carried notwithstanding the period of outstanding. The Board does not foresee any erosion in carrying value.

29. Film production-in-progress amountingto Rs. 4,955.64 lakhs mainly comprises of advance to artistes and co-producers.The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the company is confident of realizing the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value.

30. 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.20,012.67 lakhs (including interest accrued) as per the books of accounts as on 31st March 2021. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

Further, the company had received communication letter from the Reserve Bank of India (RBI) letter dated 4th February 2021, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March 2021, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

Management asserts that no adjustment to the carrying value on investment of Rs. 2,521.74 lakhs is required as it is confident that, by considering the aspects like recovery from the borrowers and other resources to bring additional cash flows will meet its obligations.

31. As on 31st March 2021, the company has a net worth of Rs.1,108.81 Lakhs. Eventhough, the company is incurring continuous losses, it succeeded in better EBITA Margins. This is entirely aligned with the Company's long-range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate, and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory.Further, during the course of a period, the company indents to strategically merge with its holding company which will create positive synergy in future. The financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipeline and risk mitigating factors.

32. The Bombay Stock Exchange imposed a penalty of Rs. 7.60 Lakhs on October 31, 2018 for violation of Regulations 17(1), 19(1) and 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

This was confirmed by honourable Securities Appellate Tribunal, Mumbai on 04.03.2020 and the order was served on 06.03.2020. The said transaction is accounted in the current financial year.

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

. **34. Leases**

a) Effective 01st April 2019, the company had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on 01st April 2019 using the modified retrospective approach.

b) Details of the Right to use of Asset held by the company as follows:

Particulars	Building (₹ in Lakhs)
Right to use of Asset as on commencement date of Ind AS 116 i.e., 01st April, 2019	-
Addition	17.12
Deletion	-
Depreciation	(14.67)
Balance as at 31st March, 2020	**2.45**
Addition	67.64
Deletion	-
Depreciation	(19.47)
Balance as at 31st March, 2021	**50.52**

c) Movement in Lease liability

Particulars	Building (₹ in Lakhs)
Lease Liability recognised as on commencement date of Ind AS 116i.e., 01st April, 2019	-
Addition	31.29
Finance Cost Accrued	2.92
Payment of Lease Liability	29.40
Balance as at 31st March, 2020	**4.81**
Addition	67.64
Finance Cost Accrued	6.26
Payment of Lease Liability	25.65
Balance as at 31st March, 2021	**53.06**

d) Breakup of Current and Non-current lease liabilities

Particulars	Amount (₹ in lakhs)
Non-Current Liability	-
Current Liability	53.06

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

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

g) During the year ended March 31, 2021, Lease deed entered with the lessor at Hyderabad has expired. The board has intentions of renewing the lease on the same terms and conditions of the previous Lease Deed with a term period of three years. Accordingly, the company has accounted Rs. 6.26 Lakhs as Finance Cost and Rs. 19.47 Lakhs as depreciation as per Ind AS 116. The lessor has orally concurred for the extension of the agreement.

h) Non cash financing and investing activities **(₹ in Lakhs)**

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Non cash financing and investing activities - Acquisition of Right-of-use Asset	67.64	17.12

Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

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

36. During the financial year 2019-20 the company has accounted interest on movie finance amounting to Rs. 206.47 Lakhs till 30th June, 2019 on accrual basis.In the current year, the company has not recognized interest income during the year.

37. Contingent Liabilities: **(₹ in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Claims against the company not acknowledged as debts		
- Service Tax	1,893.40	1,775.82
- Non-Compliance of SEBI Regulations	-	7.60
- Others	-	38.44
Total	**1,893.40**	**1,821.86**

38. Corporate Social Responsibility (CSR):

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

Average Net Profits of the Company for the last three financial years is negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year. The unspent amount of Rs. 8.22 lakhs as on 31st March, 2021 pertains to preceding financial years and the same will be spent by the company in future years.

39. Earnings per Share

Particulars	Refer	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit/(loss) after Tax (₹ in Lakhs)	A	(85.26)	(652.59)
Number of Equity shares outstanding	B	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding	C	5,22,50,000	5,22,50,000
Earnings per share – Basic & Diluted (in Rs.)	A/C	(0.16)	(1.25)

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

a) List of Related parties where control exists:

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

b) List of other related parties

Name of the person/ company	Nature of Relationship
Mr. Prasad V.Potluri, Managing Director	Key Managerial Persons
Mrs.Sai Padma Potluri, Executive Director (Resigned with effect from 01.06.2020)	
Mr. N S Kumar, Independent Director	
Mr. Sohrab ChinoyKersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from31.07.2020)	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key Managerial Person
PV Potluri Ventures LLP, Hyderabad	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Hyderabad	A Private Company in which a director’s relative is a member or director

c) Summary of transactions with related parties for the year ended 31st March 2021 **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expenses		
PV Potluri Ventures LLP	-	2.90
BVR Malls Private Limited	1.15	0
Provision for Doubtful advances debited to P&L		
PVP Cinema Private Limited	0.11	0.14
Reversal of Provision for Doubtful advances Credited to P&L		
PVP Cinema Private Limited	-	1.50
Sundry creditors written off		
PV Potluri Ventures LLP	2.90	-
Sitting Fees paid to Directors		
Mr. N S Kumar	1.30	0.90
Mrs. P J Bhavani	0.90	0.10
Mr. Sohrab K Chinoy	1.30	1.20
Mr. Nanda Kumar S	0.75	0.20
Loans and advances repaid/(received)		
PVP Cinema Private Limited	0.11	(1.36)
PV Potluri Ventures LLP	175.00	(175.00)
BVR Malls Private Limited	(106.00)	-
PVP Capital Limited, Chennai	14.82	

d) Summary of Outstanding balances with the related parties as on 31st March 2021 (₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Investments in subsidiaries		
PVP Capital Limited	2521.74	2,521.74
PVP Cinema Private Limited	3.00	3.00
Provision for investment in subsidiary		
PVP Cinema Private Limited	3.00	3.00
Loans and advances granted to subsidiary		
PVP Cinema Private Limited	500.37	500.26
Provision for advances granted to subsidiary		
PVP Cinema Private Limited	500.37	500.26
Loans and advances received from subsidiary		
PVP Capital Limited	-	28.19
Loans and advances payable to Others		
PV Potluri Ventures LLP	-	175.00
BVR Malls Private Limited	106.97	-
Other payables to subsidiary		
PVP Capital Limited	1,775.13	1,761.76
Interest payable to subsidiary		
PV Potluri Ventures LLP	-	2.90
Corporate Guarantees given/(received)		
PVP Capital Limited	10,000.00	10,000.00

e) **List of Related Parties as per Companies Act, 2013** (₹ in lakhs)

Name of the person/company	Nature of Relationship
Mr. A Praveen Kumar, Chief Financial Officer	Key Managerial Persons
Mr. Vamsi Sesha Sai Ivaturi, Company Secretary	

f) **Remuneration paid to Key Management Personnel** (₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Remuneration	19.07	23.98

41. Deferred Tax

a) **Deferred Tax asset has not been recognised in respect of the following items:** (₹ in Lakhs)

Particulars	31st March, 2021		31st March, 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	2,792.92	726.16	2,772.37	720.82
Tax losses	2,417.79	628.62	2,569.44	668.05
Effect of expenses not allowed for tax	88.30	22.96	51.39	13.36
Total	**5,299.01**	**1,377.74**	**5,393.20**	**1,402.23**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2021.

b) **Income tax expenses**

Income tax expense in the statement of profit and loss comprises: (₹ in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax	-	-
Income tax related to earlier years	-	0.40
Total Current tax expenses	**-**	**0.40**
Deferred tax	-	
Income tax expenses	-	0.40

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit/(loss) from the operation before income tax expenditure	(85.26)	(652.19)
Indian tax rate is 26%	26.00%	26.00%
Tax at statutory Income Tax Rate	(22.17)	(169.57)
Adjustments:		
Effect of expenses not allowed for tax purposes	0.08	18.33
Others – tax for earlier years	-	0.40
Effect of unrecognised deferred tax assets	22.09	151.24
Net tax expenses recognised in Statement of Profit and Loss	-	0.40

Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

42. Employee Benefits

a) Defined Benefit Plan

Gratuity (₹ in lakhs)

Gratuity Plan:	For the year ended 31st March 2021	For the year ended 31st March 2020
Defined benefit obligation (DBO)	(12.82)	(12.08)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/(liability)	**(12.82)**	**(12.08)**

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

Net employee benefit expense (recognized inEmployee Cost) for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Current Service Cost	1.22	1.16
Net Interest Cost	0.82	1.18
Total	**2.04**	**2.33**

Amount recognized in Other Comprehensive Income for the year ended 31st March 2021

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Actuarial (gain)/ loss on obligations	(1.30)	(5.64)

Changes in the present value of the defined benefit obligation for the year ended 31st March 2021 are as follows:

(₹ in Lakhs)

Particulars	Financial Year 2020-21	Financial Year 2019-20
Opening defined obligation	**12.08**	**15.39**
Current service cost	1.22	1.16
Interest cost on the Defined Benefit Obligation	0.82	1.18
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - Financial assumptions	(1.30)	(5.64)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	**12.82**	**12.08**

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

Particulars	31st March, 2021	31st March, 2020
Discount rate (in %)	6.80%	6.80%
Salary Escalation (in %)	7.50%	7.50%

Sensitivity Analysis

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

(₹ in lakhs)

Particulars	31st March, 2021		31st March, 2020	
Defined Benefit Obligation (Base)	**12.82**		**12.08**	
(% change compared to base due to sensitivity)	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	13.66	12.07	12.90	11.37
Salary Growth Rate (- / + 1%)	11.39	14.50	10.68	13.74
Attrition Rate (- / + 1%)	12.27	13.32	11.54	12.58
Mortality Rate (- / + 1%)	12.80	12.83	12.07	12.10

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

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Within the next 12 months (next annual reporting period)	1.24	3.24

Compensated Absences

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

b) Defined Contribution Plan

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognisedRs. 0.20 Lakhs (Previous Year Rs 0.91 Lakhs) for provident fund contribution in the statement of profit or loss account.

43. Financial Instruments

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

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2021 were as follows:

(₹ in lakhs)

Particulars	Amount as on 31st March, 2021	Amount as on 31st March, 2020
Financial assets:		
Fair through Profit or Loss		
- Investments in Mutual Funds	5.02	4.76
Amortised Cost		
- Bank balances other than cash and cash equivalents	15.18	3.59
- Trade Receivables	8.52	21.10
- Loans	2,603.65	2,456.77
- Other Financial Assets	1,336.23	1,434.07
Financial liabilities:		
Amortised Cost		
- Borrowings	7,138.11	7,338.57
- Trade Payables	32.34	46.82
- Other Financial Liabilities	2,670.90	2,664.32

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

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

44. Financial risk management objectives and policies

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

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

i) Market risk

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

a) Interest rate risk

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

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

b) Foreign currency risk

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

c) Equity price risk

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

ii) Credit risk

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

a. Credit risk related to Financial Loans:

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

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

b. Credit risk related to corporate guarantee furnished:

The company has furnished a corporate guarantee of Rs. 10,000 Lakhs to a bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai. The ultimate parent company viz. PVP Ventures Limited, Chennai, of the borrower has also furnished a guarantee of Rs. 10,000 Lakhs and also offered a land property whose market value is approximately Rs. 18,000 Lakhs. The borrowings outstanding together with interest is Rs. 20,012.67 Lakhs. PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to banks consequent to which the banks have filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). The Bank has issued E-auction sale notice for sale of immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement with the bank, which is under process.As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

c. **Trade receivables:**

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

As on 31st March, 2021, outstanding receivables amounting to Rs.8.52 Lakhs (previous year – Rs. 21.10 lakhs).During the year, the company has not accounted for any provision for doubtful debts against debtors.

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

iii) **Liquidity risk**

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

The table below provides details regarding the contractual maturities of Financial Liabilities

(₹ in lakhs)

Particulars	On demand	< 1 year	1-5 years	Total
As at 31stMarch 2021				
Borrowings	-	-	7,138.11	7,138.11
Trade payables	-	32.34	-	32.34
Interest accrued	-	842.71	-	842.71
Other Financial Liabilities	1,775.13	53.06	-	1,828.19
Total	**1,775.13**	**928.11**	**7,138.11**	**9,841.35**

(₹ in lakhs)

Particulars	On demand	< 1 Year	1-5 years	Total
As at 31stMarch 2020				
Borrowings	253.19	-	7,085.38	7,338.57
Trade payables	-	46.82	-	46.82
Interest accrued	-	874.36	-	874.36
Other Financial Liabilities	1,761.76	28.20	-	1,789.96
Total	**2,014.95**	**949.38**	**7,085.38**	**10,049.71**

45. Capital Management

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

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

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings	7,138.11	7,338.57
Cash and Cash Equivalents	(0.60)	(0.03)
Bank Balances other than Cash and Cash Equivalents	(15.18)	(3.59)
Net Debt	**7,122.33**	**7,334.95**
Equity Share Capital	5,225.00	5,225.00
Other Equity	(4,116.19)	(4,032.23)
Total Equity	**1,108.81**	**1,192.77**
Debt Equity Ratio	**6.42**	**6.15**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31stMarch 2021 and 31stMarch 2020.

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

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

48. Amendments to Schedule III

The amendment to Schedule III vide notification no F. No. 17/62/2015-CL-V Vol – I dated March 24, 2021 issued by the Ministry of Corporate Affairs are applicable only with effect from April 01, 2021. Hence the financial statements have been prepared in accordance with the provisions that existed prior to the amendment, for the year under review.

49 Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

Disaggregated revenue information

A Type of goods and service

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Revenue from distribution and exhibition of film and other rights	1.43	1,241.16
(b) Income from Movie finance	-	206.47
Total Operating Revenue	**1.43**	**1,447.63**
In India	1.43	1,447.63
Outside India	-	-

B Timing of revenue recognition

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Revenue from distribution and exhibition of film and other rights and other operating income	1.43	Nil	1,447.63	Nil

C Contract Balances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract Assets	Nil	Nil
Contract Liabilities	Nil	Nil

Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

D Revenue recognised in relation to contract liabilities **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue recognised in relation to contract liabilities	Nil	Nil

E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue at contracted prices	Nil	Nil
Revenue from contract with customers	Nil	Nil
Difference	Nil	Nil

F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

Consolidated Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Members of Picturehouse Media Limited, Chennai

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the Consolidated Financial Statements of **Picturehouse Media Limited** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs below including the disclosure of "Material Uncertainty Related to Going Concern",* the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended 31st March, 2021

Basis for Qualified Opinion

1. *Attention is invited to note no. 29 to the Consolidated Financial Statements, in relation to advances made for film production (including interest accrued of Rs. 1324.37 lakhs) amounting to Rs. 3632.79 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, 2021. No evidence was adduced regarding the status of production of films nor was confirmation produced from the loan debtors. Consequently, we were unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2021 is understated.*

   In respect of an advance of Rs. 262.50 lakhs made to one party during the year, the holding company has not produced any documentary evidence including confirmation of balance. Hence, we are not in a position to certify the nature of transaction and related internal financial control.

2. *Attention is invited to note no. 30 to the Statement, in relation to inventory i.e. films production expenses amounting to Rs. 4955.64 lakhs, mainly consists of advances granted to artists and co-producers. As the film's production has not commenced and / or completed, the advances made continued to be carried as inventory. However, the Board of the holding company states that it is evaluating options for maximum utilization of these payments. In the absence of tangible evidence towards commencement and / or completion of production of films and also in the absence of confirmation of balances from the parties, we are unable to agree with the views of the Board. We are of the opinion that realisation 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 nos. 31 and 33 to the consolidated financial statements, in relation to preparation of consolidated financial statements on "Going Concern Basis".*

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

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

4. *Attention is invited to note no. 35 to the consolidated financial statements in relation to penalty of Rs. 7.60 lakhs levied by the Bombay Stock Exchange recorded in financial statement of 31.03.2021. The financial statements pertaining to the year ended March 31, 2020 ought to have been restated to comply with Ind AS 8.*

5. *The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31st March, 2021 have drawn qualified opinion in the following matter.*

   a. *Attention is invited to note no. 31 to the consolidated financial statements includes the financial statements of PVP Capital limited, Chennai, 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. 20,012.67 lakhs as per the books of account as at March 31, 2021.*

      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. 200 lakhs as stated in the said note to the financial statement. The Company's inability to meets 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 that 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.

   b. *Attention is invited to note no. 32 to the consolidated financial statements in relation to the loans for film production amounting to Rs. 15,381.04 lakhs, whose realisability is significantly dependent on timely completion of the production of the commercial viability of the films under production etc. The Management has assessed the recoverability of the loan amount and accordingly made a provision of Rs. 13,889.46 lakhs as at 31st March, 2021. However, the Management is unable to provide the status of the production of the recoverability of the whole amount. films Hence we are unable to determine whether the said provision is adequate or not.*

6. *The independent auditor of subsidiary company viz. PVP Cinema Private Limited has drawn Qualified conclusion. The same is reproduced by us as under:*

   Interest on unpaid income tax for FY 2008-09 till date aggregating to Rs. 9.50 lakhs is not accounted. The accumulated loss is short by this amount.

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

Emphasis of Matter

1. Picturehouse Media Limited, Chennai, the Holding Company has furnished a financial guarantee of Rs. 10,000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai.

   The ultimate parent company viz. PVP Ventures Limited, Chennai of the borrower has also furnished a guarantee of Rs. 10,000 lakhs and also offered a land property whose market value is approximately Rs. 18,000 lakhs. The borrowings outstanding together with interest is Rs. 20,012.67 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

   Key Audit Matters

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

Contingent Liabilities in relation to Service Tax Litigations

Key Audit Matter	Auditor's Response
The Holding Company has received certain demand orders and notices relating to service tax matters. The Holding company is contesting these demands (refer Note no.41 to the consolidated financial statements). There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants whereever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported consolidated loss and the Balance Sheet. We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.	Our audit procedures included the following: (i) Understanding the current status of the service tax litigations. (ii) Examining recent orders and/or communication received from various service tax authorities and follow up action thereon. (iii) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and (iv) Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on service tax issues.

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

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

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

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

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

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

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

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

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

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

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

Other Matters:

1. We did not audit the financial statements of two Wholly Owned subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 3,371.43 lakhs as at 31st March, 2021, NIL total revenue (including other income), total loss after tax of Rs. 4,718.33 lakhs, total comprehensive loss (net of tax) of Rs. 4,717.00 lakhs for the year ended 31st March, 2021 respectively and NIL net cash flow of for the year ended 31st March, 2021, as considered in the consolidated financial statements. The financial statements and other financial information of these subsidiaries have been audited by the other auditor whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

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

2. Corresponding figures for the year ended 31st March, 2020 included in the financial statements are based on the audit by our predecessor, who have expressed a modified opinion vide their report dated July 31, 2020. We have accepted those figures and reports, by verifying relevant records of the company for the purpose of our opinion on this statement.

   Our conclusion is not modified in respect of the said matter for the purpose of our opinion.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, we report to the extent applicable that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

h. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report; and

i. With respect to the matter to be included in the Auditors' report under Section 197(16):

   In our opinion and to the best of our information and according to the explanations given to us, during the year, the holding company and its subsidiaries, have not paid remuneration to the director(s) in accordance with the provisions of section 197 of the Companies Act 2013. Therefore, remuneration paid to the directors over and above the limits laid down under this section doesn't arise.

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer note no: 41 to the consolidation financial statements.

ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08,2016 to December 30,2016 have not been made in these financial statements since they do not pertain to the financial year 2020-21

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

Sd/-
Venkatasubramanian. S
Partner
Membership Number: 219238
UDIN: 21219238AAAAEC6607

Place: Chennai
Date : June 22, 2021

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

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

In conjunction with our audit of the consolidated financial statements of **Picturehouse Media Limited** as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of Picturehouse Media Limited ("the Holding Company" or "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Covered Entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, subject to note no.33 to these consolidated financial statements in relation to preparation of financial statements on "going concern", the projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the consolidated financial statements as at 31st March, 2021:

The company's internal financial control with regard to assessment of loans and advances and inventory as more fully explained in note nos. 29 and 30 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".

Attention is also invited to point no.1 of Basis of Qualified opinion in the main report.

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

In our opinion, *except for the possible effects of the material weakness described above* on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31st March, 2021, based on internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the aforesaid subsidiaries is solely based on the corresponding reports of the auditors of such companies.

Our report is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of other auditor.

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

Sd/-
Venkatasubramanian. S
Partner
Membership Number: 219238
UDIN: 21219238AAAAEC6607

Place: Chennai
Date : June 22, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	**4**	180.08	146.24
(b) Financial Assets			
(i) Investments	**5**	5.02	4.76
(ii) Loans	**6**	10.23	11.32
(c) Deferred tax assets (net)		-	-
(d) Other non current assets	**7**	93.10	486.11
Total Non Current Assets (a)		**288.43**	**648.43**
(2) Current assets			
(a) Inventories	**8**	4,955.64	4,894.43
(b) Financial Assets			
(i) Trade receivables	**9**	8.52	21.10
(ii) Cash and cash equivalents	**10**	16.10	3.93
(iii) Loans	**11**	4,085.00	5,428.63
(iv) Other financial assets	**12**	1,336.23	1,434.07
(c) Other current assets	**13**	114.08	94.66
Total Current Assets (b)		**10,515.57**	**11,876.82**
Total Assets (c) = (a) + (b)		**10,804.00**	**12,525.25**
II EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity Share Capital	**14A**	5,225.00	5,225.00
(b) Other Equity	**14B**	(25,778.29)	(20,977.45)
Total Equity (d)		**(20,553.29)**	**(15,752.45)**
B LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**15**	7,138.11	8,022.01
(b) Provisions	**16**	12.82	9.42
Total Non Current Liabilities (e)		**7,150.93**	**8,031.43**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	**17**	11,306.69	10,225.00
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	**18**	40.30	52.68
(iii) Other financial liabilities	**19**	10,908.44	8,059.91
(b) Other current liabilities	**20A**	812.97	757.88
(c) Provisions	**20B**	1,137.96	1,150.80
Total Current Liabilities (f)		**24,206.36**	**20,246.27**
Total Equity and Liabilities (g) = (d) + (e) + (f)		**10,804.00**	**12,525.25**
Summary of Significant Accounting Policies	**2**		

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I.	Revenue from operations	**21**	1.43	1,447.63
II.	Other income	**22**	137.36	52.25
III.	**Total Income (I + II)**		**138.79**	**1,499.88**
IV.	**Expenses:**			
	a. Cost of film production expenses	**23**	3.03	987.04
	b. Purchases of Stock-in-Trade		-	-
	c. Changes in inventories of finished goods, Stock-in-Trade and work-in-process		-	-
	d. Employee benefit expenses	**24**	40.02	64.20
	e. Finance costs	**25**	3,305.33	3,931.09
	f. Depreciation and amortization expenses	**4**	33.63	36.15
	g. Other expenses	**26**	68.66	86.73
	h. Impairment on Financial Instruments	**27**	1,491.59	3,099.47
	Total expenses		**4,942.26**	**8,204.68**
V.	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(4,803.47)**	**(6,704.80)**
VI.	Exceptional items		-	-
VII.	**Profit/(Loss) before tax (V - VI)**		**(4,803.47)**	**(6,704.80)**
VIII.	**Tax Expenses**			
	(1) Current tax		-	-
	(2) Deferred Tax (Asset) / Liability		-	-
	(3) Income tax for earlier years		-	0.40
	Total Tax Expenses		**-**	**0.40**
IX.	**Profit/(Loss) for the year (VII - VIII)**		**(4,803.47)**	**(6,705.20)**
X.	**Other Comprehensive Income:**			
	(A) Items that will not be reclassified to profit and loss			
	- Remeasurement of defined benefit obligation		2.63	5.12
	Less: Income tax relating to itemsthat will not be reclassified to profit or loss		-	-
			2.63	**5.12**
	Items that will be reclassified to profit and loss		**-**	**-**
	Other Comprehensive income, net of tax (X)		**2.63**	**5.12**
XI.	**Total Comprehensive income for the year (IX + X)**		**(4,800.84)**	**(6,700.08)**
XII.	**Total Comprehensive Income for the year attributable to:**			
	Non Controllling Interest		**-**	**-**
	Owners of the Parent		**(4,800.84)**	**(6,700.08)**
XIII.	**Earnings per equity share of face value Rs. 10 each :**			
	Basic and diluted (not annualised) (Rs.)		**(9.19)**	**(12.83)**

Summary of Significant Accounting Policies 2

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Lakhs)

	Particulars		Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit / (Loss) before Tax		(4,803.47)	(6,704.80)
	Adjustments for:			
	Depreciation and Amortization		33.63	36.15
	(Profit) / Loss on sale of asset (Net)		(2.67)	-
	Fair Value of investments through Profit and Loss		(0.26)	(0.33)
	Payable written up		(108.64)	76.75
	Provision for expenses no longer required - written up		(18.86)	-
	Unwinding of Interest income on rental deposits		(2.75)	-
	Interest on Staff advance		(0.79)	-
	Sundry creditors written up		(3.22)	-
	Provision for Doubtful Advances and Debtors		-	19.05
	Contingent provision on sub-standard assets		1,491.59	3,099.47
	Provision for Employee Benefits		(6.82)	(0.11)
	Interest Income		-	(206.47)
	Interest Expenses		3,214.54	3,796.84
	Cash Generated Before Working Capital Changes		**(207.72)**	**116.55**
	Movement In Working Capital			
	Increase / (Decrease) in Trade Payables		(9.12)	11.82
	Increase / (Decrease) in Other Financial Liabilities		85.83	10.77
	Increase / (Decrease) in Other Liabilities		71.56	168.53
	(Increase) / Decrease in Trade Receivables		12.47	(21.10)
	(Increase) / Decrease in Loans		114.50	626.19
	(Increase) / Decrease in Inventories		(61.21)	171.82
	(Increase) / Decrease in Other Financial Assets		99.72	65.73
	(Increase) / Decrease in Other Assets		(4.61)	(26.29)
	Cash Generated From Operations		**101.42**	**1,124.04**
	Direct Taxes Refund		393.01	-
	Direct Taxes Paid		-	(6.16)
	Interest Expenses paid of financing activities		-	(14.53)
	Net Cash Flow From / (Used in) Operating Activities	**(A)**	**494.43**	**1,103.35**
B.	**CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES**			
	Purchase of PPE, Intangible Assets and Investment Property		-	(9.27)
	Repayment/(Advances) made for Film Finance		(262.47)	-
	Proceeds from Sale of PPE, Intangible Assets and Investment Property		2.84	20.00
	Interest Income Received		-	142.26
	Net Cash Flow From / (Used in) Investing Activities	**(B)**	**(259.63)**	**152.99**

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Lakhs)

	Particulars		Year ended March 31, 2021	Year ended March 31, 2020
C.	**CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES**			
	Proceeds from/(to) Short - Term Borrowings (Net)		(252.57)	175.00
	Payment of lease liabilities (Inclusing interest thereon)		(22.90)	(26.48)
	Proceeds from Long Term Borrowings		52.84	832.83
	Repayment of Long Term Borrowings		-	(1,580.77)
	Interest Paid		-	(661.38)
	Net Cash Flow From/(Used in) Financing Activities	**(C)**	**(222.63)**	**(1,260.79)**
	Net Increase/(Decrease) in Cash and Cash Equivalents	**(A+B+C)**	12.17	(4.45)
	Cash and Cash Equivalents at the beginning of the year		3.93	8.38
	Cash and Cash Equivalents at the end of the year		**16.10**	**3.93**
	Components of Cash and Cash Equivalents			
	Cash in Hand		0.60	0.03
	Balances with Banks			
	-In Current Accounts		15.50	3.90
	Cash and cash Equivalent		**16.10**	**3.93**

Notes:

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.

Reconciliation between the opening and closing balances in the balance sheet for financial liabilities arising from financing activities:

(Rs in Lakhs)

Particulars	As at April 01, 2020	Cash Flows	Non- Cash Changes	As at March 31, 2021
			Book Adjustments	
Long Term Borrowings	8,022.01	52.84	(936.74)	7,138.11
Short term Borrowings	10,225.00	(252.57)	1,334.26	11,306.69
Other Financial Liabilities	8,031.71	-	2,823.67	10,855.38
Total Financial Liabilities	**26,278.72**	**(199.73)**	**3,221.19**	**29,300.18**

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

Consolidated Statement of Changes in Equity for the Year Ended 31st March 2021

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Amount
Balance as at 1st April, 2019	**14A**	**5,225.00**
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2020	**14A**	**5,225.00**
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2021	**14A**	**5,225.00**

B. Other Equity (Refer note no 14B)

(₹ in Lakhs)

Particulars	Other Equity						Total Equity Attributable to Equity holders of the company
	Reserves and Surplus						
	Capital Reserve	Securities Premium	General Reserve	Statutory Reserve	Retained Earnings	Other Items of Other Comprehensive Income	
Balance as on 01st April, 2019	**22.88**	**182.50**	**0.86**	**511.23**	**(15,010.39)**	**29.72**	**(14,263.20)**
Changes in equity for the year ended 31st March, 2020							
Transferred to General Reserve	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	5.12	5.12
Transition Provision to IND AS 116	-	-	-	-	(14.17)	-	(14.17)
Profit/(Loss) for the year	-	-	-	-	(6,705.20)	-	(6,705.20)
Balance as on 31st March, 2020	**22.88**	**182.50**	**0.86**	**511.23**	**(21,729.76)**	**34.84**	**(20,977.45)**
Balance as on 01st April, 2020	22.88	182.50	0.86	511.23	(21,729.76)	34.84	(20,977.45)
Changes in equity for the year ended 31st March, 2021							
Transferred to General Reserve	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	2.63	2.63
Transferred to retained earnings					37.47	(37.47)	-
Profit/(Loss) for the year	-	-	-	-	(4,803.47)	-	(4,803.47)
Balance as on 31st March, 2021	**22.88**	**182.50**	**0.86**	**511.23**	**(26,495.76)**	**-**	**(25,778.29)**

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

1. **Security Premium :** This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
2. **Retained Earnings :** Retained Earnings represent accumulated losses of the company.
3. **General Reserve:** Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 ("the Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the company in accordance with the provisions of the companies act, 2013.
4. **Capital Reserve :** Capital Reserve represents reserve recognised on amalgamations and arrangements.
5. **Statutory Reserve :** Statutory Reserve represents reserve created as per section 45-IC of the Reserve Bank of India Act, 1934.
6. **Exchange Fluctuation Reserve :** Exchange differences relating to the translation of the results and the net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e currency units) are recognised directly in other comprehensive income and accumulated in the exchange fluctutation reserve. Exchange differences previously accumulated in the exchange fluctuation reserve will be reclassified to profit or loss on the disposal of foreign operations.

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

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

1. Corporate Information

Picturehouse Media Limited ("the Parent Company") is a public limited Company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The Parent Company has three subsidiaries. The main activities of the Parent Company along with its Wholly Owned subsidiaries are of Movie Production and Movie Financing related activities. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

The Consolidated Financial Statements of the Group for the year ended 31st March 2021 including comparatives are duly adopted by the Board of Directors in the meeting held on June 22,2021 by video conferencing for consideration and approval by the shareholders.

2. Significant Accounting Policies

Basis of Preparation of Financial Statements

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

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

The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

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

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

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

Current/ Non-Current Classification

An asset is classified as current when

1) It is expected to be realized or consumed in the Group's normal operating cycle;

2) It is held primarily for the purpose of trading;

3) It is expected to be realized within twelve months after the reporting period; or

4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

A liability is classified as current when

1) It is expected to be settled in the normal operating cycle of the Group;

2) It is held primarily for the purpose of trading;

3) It is expected to be settled within twelve months after the reporting period; or

4) The Group has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

a) Basis of consolidation:

i) The consolidated financial statements of the Group incorporate the financial statements of the Parent Group and its subsidiaries. The Parent Group has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

Parent Group considers all relevant facts and circumstances in assessing whether or not the Parent Group's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Group obtains control over the subsidiary and ceases when the Parent Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Group gains control until the date when the Parent Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In case of subsidiaries consolidated for the first-time consequent to adoption of IND AS, the deemed cost of goodwill as of the transition date has been computed to equal the difference between:

- the Group's interest in carrying amounts of assets and liabilities; and
- the cost, in the Parent Group's separate financial statements, of its investment in the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Group.

ii) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iii) List of Subsidiaries and proportion of voting power held:

Name of the Subsidiary	Country of incorporation/ Residence	Proportion of Ownership Interest/ Proportion of Voting power held
PVP Cinema Private Limited (PCPL)	India	100% (Wholly Owned Subsidiary)
PVP Capital Limited (PCL)	India	100% (Wholly Owned Subsidiary)

iv) During the Financial Year 2018-19, UCO Bank Ltd invoked 10 lakhs pledged shares of Picturehouse Media Limited held by PVP Ventures Limited. Consequently, the total investment of 51.46% in Picturehouse Media Limited held by PVP Ventures Limited, Chennai along with its subsidiaries has reduced to 49.55%.

b) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

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

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

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

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

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

c) Impairment of Property, Plant & Equipment:

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

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

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

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

d) Inventory

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

A charge is made to write down the cost once the film is theatrically exhibited commercially. Charge is recognized in the income statement within cost of production.

e) Foreign Currency Translation:

Initial Recognition

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

Measurement of foreign currency items on reporting date

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Effective 01st April 2018, the group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Group Companies

For the purposes of the consolidated financial statements, items in the consolidated statements of profit or loss of those operations for which the Indian Rupees is not the functional currency are translated to Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in profit or loss.

f) Leases

The Group as a Lessee

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

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

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

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

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

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

The Group as a Lessor

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

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

Lease-hold land:

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

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 116 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

g) **Financial Instruments**

1) **Initial Recognition**

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

2) **Subsequent Measurement**

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

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

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

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

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

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

iv) **Financial Liability**

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

3) **Derecognition of financial instruments**

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

4) **Impairment of Assets**

Financial Assets (other than at fair value):

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

5) **Fair value of Financial Instruments**

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

Fair value hierarchy:

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

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

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

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

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

h) Provisions, Contingent Liabilities and Contingent Assets

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

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

Contingent assets are not recognized in the financial statements.

i) Revenue Recognition

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

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

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

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

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

2) Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3) Sale of Intangibles assets are recognised when asset is sold to customers which generally coincides with the delivery and acceptance. Income earned on licensing the copyrights is recognised on time proportion basis.

4) In respect of PVP Capital Limited, Interest income on loans is accrued over the maturity of the loan where the interest is serviced regularly as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the Group. Interest on loans which are classified as non-performing assets and are accounted for on realization basis.

5) Dividend from investments is accounted for as income when the right to receive dividend is established.

j) Employee Benefits

Gratuity

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

Compensated Absences

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

Other Benefit Plans

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

k) Taxes on Income

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

i) Current Income Tax

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

ii) Deferred Income Tax

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

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

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

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

l) Borrowing Costs

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

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

m) Earnings per Share

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

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

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

n) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

o) Exceptional Items

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

p) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of "Movie Production and Movie Financing related activities". The Holding Group, Picturehouse Media Limited operates only in entertainment segment, whereas PVP Cinema Private Limited, the subsidiary, did not have any commercial activity and PVP Capital Limited is in the media financing business. Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment and hence the necessary information has disclosed in the notes to the consolidated financial statements.

q) Indian Accounting Standards / amendments issued but not yet effective

The Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021 has amended the following Indian Accounting Standards (Ind AS).

(i) Ind AS 101 – First time adoption of Indian Accounting Standards

(ii) Ind AS 102 – Share based payment

(iii) Ind AS 103 – Business Combinations

(iv) Ind AS 104 – Insurance Contract

(v) Ind AS 105 – Non-current assets held for sale and discontinued operations

(vi) Ind AS 106 – Exploration and evaluation of Mineral Resources

(vii) Ind AS 107 – Financial Instruments - disclosures

(viii) Ind AS 109 – Financial Instruments

(ix) Ind AS 111 – Joint arrangements

(x) Ind AS 114 – Regulatory deferral accounts

(xi) Ind AS 115 – Revenue from Contracts with Customers

(xii) Ind AS 116 – Leases

(xiii) Ind AS 1 – Presentation of financial statements

(xiv) Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.

(xv) Ind AS 12 – Income Taxes

(xvi) Ind AS 16 – Property, plant and equipment

(xvii)Ind AS 27 – Separate Financial Statements

(xviii) Ind AS 28 – Investments in Associates and Joint Ventures

(xix) Ind AS 34 – Interim Financial Reporting

(xx) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

(xxi) Ind AS 38 -Intangible assets

The amendments to the above-mentioned standards (other than amendments relating to Ind AS 116) are prospective.

Therefore, the amendments are not applicable for the year ended March 31,2021.

3. Critical accounting estimates and judgements

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

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

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

- **Accounting for the film content:** Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Group is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to profit and loss account. As well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Useful lives of property, plant and equipment and intangible assets:** The group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The group reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 4 : Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Land	Building	Plant and equip-ment	Computers and Related Assets	Furniture and Fixtures	Vehicles	Office Equipments	Right to Use Building	Total
Gross Block									
Gross Carrying value as on 1st April, 2019	**-**	**-**	**1.22**	**16.84**	**18.35**	**99.35**	**70.52**	**-**	**206.28**
Additions	89.23	35.98	-	0.35	-	-	-	17.12	142.68
Deletions	(20.00)	-	-	-	-	-	-	-	(20.00)
Gross Carrying value as on 31st March, 2020	**69.23**	**35.98**	**1.22**	**17.19**	**18.35**	**99.35**	**70.52**	**17.12**	**328.96**
Additions	-	-	-	-	-	-	-	67.64	67.64
Deletions	-	-	-	-	-	(62.77)	(7.57)	-	(70.34)
Gross Carrying value as on 31st March, 2021	**69.23**	**35.98**	**1.22**	**17.19**	**18.35**	**36.58**	**62.95**	**84.76**	**326.26**
Accumulated Depreciation									
Accumulated Depreciation as on 1st April, 2019	**-**	**-**	**1.14**	**14.38**	**10.63**	**55.39**	**65.03**	**-**	**146.57**
For the period 2019-20									
Depreciation	-	0.26	-	0.24	1.79	18.63	0.56	14.67	36.15
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on 31st March, 2020	**-**	**0.26**	**1.14**	**14.62**	**12.42**	**74.02**	**65.59**	**14.67**	**182.72**
For the period 2020-21									
Depreciation	-	0.58	-	0.12	1.90	11.47	0.09	19.47	33.63
Accumulated depreciation on deletions	-	-	-	-	-	(62.77)	(7.40)	-	(70.17)
Accumulated Depreciation as on 31st March, 2021	**-**	**0.84**	**1.14**	**14.74**	**14.32**	**22.72**	**58.28**	**34.14**	**146.18**
Net Block									
Carrying Value as on 31st March, 2020	**69.23**	**35.72**	**0.08**	**2.57**	**5.93**	**25.33**	**4.93**	**2.45**	**146.24**
Carrying Value as on 31st March, 2021	**69.23**	**35.14**	**0.08**	**2.45**	**4.03**	**13.86**	**4.67**	**50.62**	**180.08**

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 5 : Financial Assets (non-current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Investments		
Investments carried at Fair value through Profit or Loss		
a) Investment in units of mutual fund - Quoted		
15,176.50 units @ Rs. 33.098 per unit of Canara Robeco Saving Fund - Regular Growth (FRGP) (Last year 15,176.50 units)	5.02	4.76
	5.02	**4.76**
Aggregate of Non Current Investments - Quoted	5.02	4.76

Note No 6 : Loans (non-current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Non Current		
Unsecured, conisdered good		
Security Deposits	10.23	11.32
	10.23	**11.32**

Note No 7 : Other Assets

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Non Current		
Tax Deducted at Source(TDS) Receivable	5.61	398.62
Taxes Paid Under protest	87.49	87.49
	93.10	**486.11**

Note No 8 : Inventories

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Film Production -in- progress (refer note no.30)	4,955.64	4,894.43
(Valued at lower of cost or net realisable value - as certified by management)		
	4,955.64	**4,894.43**

Note No 9 : Trade Receivables

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current		
Secured - Considered Good	-	-
Unsecured - Considered Good	8.52	21.10
Significant increase in credit risk	-	-
Credit Impaired	566.78	567.09
Less: Provision for Doubtful Debtors	(566.78)	(567.09)
	8.52	**21.10**

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 10 : Cash and Cash Equivalents

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with banks		
In Current Accounts	15.50	3.90
Cash on hand	0.60	0.03
	16.10	**3.93**

Note No 11 : Loans (current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Secured - Considered Good		
Advances for Film Finance* (refer note no.29 and 32)	17,951.96	17,689.50
Less: Imapired Loss Allowance	(13,889.46)	(12,397.87)
Unsecured - Considered Good		
Advances for Staff	22.50	137.00
Unsecured - Considered Doubtful		
Advances for Others	62.40	632.09
Less: Provision for doubtful advances	**(62.40)**	**(632.09)**
	4,085.00	**5,428.63**

Note No 12 : Other Financial Assets (current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued on staff advance	11.86	63.48
Interest accrued on film finance	1,324.37	1,324.37
Interest receivable on Income tax refund	-	46.22
	1,336.23	**1,434.07**

Note No 13 : Other Current Assets

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance other than capital advance		
- Goods and Service Tax (GST) Input tax Credit	112.74	94.20
- Prepaid expenses	1.34	0.46
	114.08	**94.66**

*Advance for film production includes loan book amounting to Rs.4,062.50 lakhs as at March 31, 2021 hypothecated with bank for credit facility availed by one of the subsidiaries. The interest rate is charged at One Year MCLR + 4.80% i.e. 14.15% (Floating) which is repayable on demand.

Note No.14A: Equity Share Capital

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

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

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

(b) Shares held by Holding Company and its Subsidiaries

PVP Ventures Limited along with its Subsidiaries holds 2,58,89,405 equity shares (as at 31st March 2020 - 2,58,89,405 equity shares) in the Company.

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

Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% held	No. of Shares	% held
PVP Ventures Limited*	2,353,114	4.50%	2,353,114	4.50%
Jhansi Sureddi	11,757,249	22.50%	11,757,249	22.50%
Rayudu Media Projects Private Limited	4,506,490	8.62%	4,506,490	8.62%
PVP Global Ventures Private Limited	11,236,641	21.51%	11,236,641	21.51%
PVP Media Ventures Private Limited	12,299,650	23.54%	12,299,650	23.54%

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

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

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	5,225	52,250,000	5,225
Add: Number of Shares allotted during the year	-	-	-	-
Less: Number of Shares bought back	-	-	-	-
Number of equity shares outstanding at the end of the year	**52,250,000**	**5,225**	**52,250,000**	**5,225**

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

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

(f) The company has not issued any bonus shares, nor has issued shares for consideration other than cash and nor has bought back shares during the period of five years immediately preceding the reporting date i.e. 31.03.2021.

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

Note No 14B : Other Equity

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Other Equity		
- Capital Reserve	22.88	22.88
- Securities Premium	182.50	182.50
- General Reserve	0.86	0.86
- Statutory Reserve	511.23	511.23
- Retained Earnings	(26,495.76)	(21,729.76)
Other Comprehensive Income		
- Other Items of OCI	-	34.84
Total	**(25,778.29)**	**(20,977.45)**

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 15 : Financial Liabilities (non-current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings (unsecured)		
From company		
- Related Party (refer note no.43b)	106.00	-
- Others	7,032.11	8,022.01
	7,138.11	**8,022.01**

1. The company has availed a loan from a related party which is repayable at the time of release of movies and interest rate is charged at 12% p.a.
2. The company has availed a loan from a Company which is repayable based on the availability of funds and interest rate is charged at 12% p.a on daily average balances. However, the lender has waived off the interest for the financial year 2020-2021

Note No 16 : Provisions (non-current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Employee benefits - Gratuity*	12.82	9.42
	12.82	**9.42**

Note No 17 : Financial Liabilities (current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings		
Secured - from		
Bank (refer note no.31)	10,000.00	10,000.00
Others	1,306.69	-
Unsecured - from		
Company	-	50.00
Others - Related Party (refer note no.43b)	-	175.00
	11,306.69	**10,225.00**

Details of loans and terms of repayment

1. The group has availed Indian rupee term loan from bank amounting to Rs.10,000 lakhs and interest rate charged is base rate +4.50% i.e 14.70%. Loan is secured by a charge on the loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to group companies and personal guarantee of Mr.Prasad V.Potluri and Smt.Jhansi Sureddi.

   As on 31st March, 2021, an amount of Rs. 20,012.67 is overdue for a period of more than two years towards principal and interest to the bank.
2. The group has availed a Loan of Rs. 1,306.69 lakhs at interest rate 12% p.a from a company secured by a second charge on the Loans made to film finance and other related activities, and personally guaranteed by a Director of the subsidiary, repayable on demand. During the year, the lender company has waived off the interest.

Note No 18 : Trade Payables (current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Sundry Creditors for services (refer note no.39)	40.30	52.68
	40.30	**52.68**

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 19 : Other Financial Liabilities (current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest Accrued and due on borrowings	10,855.38	8,031.71
Lease Liability (refer note no.38c)	53.06	4.81
Employee related payables	-	2.91
Provision for expenses	-	20.48
	10,908.44	**8,059.91**

Note No 20A : Other Liabilities (current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue received in advance		
Advances received from Theatrical Exhibitors	-	25.00
Others		
Statutory Dues Payable	805.37	732.88
Penalty	7.60	-
	812.97	**757.88**

Note No 20B : Provisions (current)

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Employee benefits	-	
- Gratuity *	0.18	3.95
- Compensated absences**	-	9.07
Standard assets	61.38	61.38
Income tax (net of advance tax and tax deducted at source)	1,076.40	1,076.40
	1,137.96	**1,150.80**
***Movement in Provision for Employee Benefits - Gratuity**		
Balance at the beginning of the year (Non-Current)	9.42	12.42
Balance at the beginning of the year (Current)	3.95	3.54
Sub-Total	13.37	15.96
Add: Provision made during the year	2.26	2.53
Less: Provision utilized / reversed during the year	2.63	5.12
Balance at the end of the year	**13.00**	**13.37**
Non-Current	**12.82**	**9.42**
Current	**0.18**	**3.95**
****Movement in Provision for Employee Benefits - Compensated absences**		
Balance at the beginning of the year	9.07	11.71
Add: Provision made during the year		
Lesss: Provision utilized / reversed during the year	9.07	2.64
Balance at the end of the year	**-**	**9.07**

Note No 21 : Revenue from Operations

(Rs.in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue from distribution and exhibition of film and other rights	1.43	1,241.16
Other Operating Income		
Income from Movie finance (refer note no. 40)	-	206.47
	1.43	**1,447.63**

Notes to Consolidated Financial Statements for the Year Ended 31st March 2021

Note No 22 : Other Income

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income on Income Tax Refund	0.00	46.22
Payables written up	111.86	3.80
Profit on Sale of Asset	2.84	-
Interest on Advances to Staff	0.79	
Excess provision Written back	18.86	1.35
Fair value through profit and loss	0.26	0.33
Miscellaneous Income	2.75	0.55
	137.36	**52.25**

Note No 23 : Cost of Film Production Expenses

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening balance	**4,894.43**	**5,066.25**
Add: Current year Film Production Expenses	64.24	815.22
	4,958.67	**5,881.47**
Less: Closing balance	4,955.64	4,894.43
	3.03	**987.04**

Note No 24 : Employee Benefit Expenses

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	37.22	60.60
Gratuity (Refer note no. 46(a))	2.26	2.53
Contribution to provident fund	0.20	0.91
Staff welfare expenes	0.34	0.16
	40.02	**64.20**

Note No 25 : Finance Cost

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on		
- Borrowings	3,208.28	3,796.84
- Lease liability	6.26	2.92
- Others	90.79	131.33
	3,305.33	**3,931.09**

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Note No 26 : Other Expenses

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent	0.41	0.15
Insurance	1.35	1.40
Power and Fuel	3.87	3.75
Printing and Stationery	0.55	0.12
Communication Expenses	1.30	2.02
Repairs and Maintenance		
- for vehicles	2.40	4.95
- for others	0.70	0.34
Registration Charges	-	0.01
Rates and taxes	2.85	9.01
Payments to auditors		
- for statutory auditor	8.85	11.74
- for reimbursement of expenditure	0.15	-
- for tax audit	-	2.50
- for certification charges *	2.00	3.00
Directors Sitting Fees	4.25	2.40
Legal, Professional and consultancy	15.23	8.40
Membership Fee	0.08	0.51
Office Maintenance	3.94	3.99
Advertisement, publicity and sales promotion	2.54	2.81
Bank Charges	0.04	0.11
Foreign Exchange Fluctuations	-	-
Investor related expenses including Listing Fees	6.66	7.51
Travelling Expenses including Conveyance	2.42	2.96
Loss on Sale of Asset	0.17	-
Penalty	7.60	-
Miscellaneous expenses **	1.30	-
Provision for Doubtful Advances made	-	19.05
	68.66	**86.73**

Note No 27 : Contingent provision on sub- standard assets

(Rs.in Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contingent provision on sub- standard assets	1,491.59	3,099.47
	1,491.59	**3,099.47**

* Current year - paid to the previous statutory auditors
** under this head, there is no expenditure which is in excess of 1% of total revenue or Rs. 10 lakhs, whichever is higher

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Notes to Accounts

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

29. The current assets of the group include loans and advances amounting to Rs. 2,570.92 lakhs. The Board is confident of realizing the value at which they are carried notwithstanding the period of outstanding. The Board does not foresee any erosion in carrying value.

30. Film production – in – progress amounting to Rs. 4,955.64 lakhs. As regards 'expenditure on films under production' mainly comprises of advance to artistes and co-producers. The group is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the holding company is confident of realizing the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value.

31. In respect of, PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.20,012.67 lakhs (including interest accrued) as per the books of accounts as on 31st March 2021. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

Further, PVPCL has received communication letter from the Reserve Bank of India (RBI) letter dated 4th February 2021, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March 2021, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

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

32. PVP Capital Limited has a book debt of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's customers did not service the interest and loan repayment. Consequently, the company has made a cumulative provision of Rs. 13,889.46 lakhs for the expected credit loss. Management asserts that no adjustment to the carrying value is required as it is confident of recovery from the borrowers.

33. As on 31st March 2021 the Group has a negative net worth of Rs 20,553.29 Lakhs. Even though the Group is incurring continuous losses and negative net worth, the group has succeeded in better EBITA Margins. This is entirely aligned with the Group's long-range plan, which encompasses a continued development of the Group's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate, and the Company has got future projects to keep improving. The Group has paid advance amounts to the artistes and technicians for the future movies production which is shown under Inventory. Further, during the course of a period, the Group indents to strategically merge with its holding company which will create positive synergy in future. The consolidated financial statements have been prepared on a going concern basis based on cumulative input of the available movie projects in pipeline and risk mitigating factors.

34. During the year ended 31st March, 2021, Lease deed entered with lessor at Hyderabad had expired for Picturehouse Media Limited, management has intention to renew the lease deed on the same terms and conditions of the previous Lease Deed with a term period of three years. Accordingly, the group has accounted Rs. 6.26 Lakhs as Finance cost and Rs. 19.47 Lakhs as Depreciation as per the Ind AS 116, "Leases". The lessor has orally concurred for the extension of the agreement.

35. The Bombay Stock Exchange imposed a penalty of Rs. 7.6 Lakhs on October 31, 2018 for violation of Regulations 17(1), 19(1) and 19(2) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

This was confirmed by Honourable Securities Appellate Tribunal, Mumbai on 04.03.2020 and the order was served on 06.03.2020. The said transaction is accounted by parent- company in the current financial year.

36. Corporate Social Responsibility (CSR)

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

Average Net Profits of the Company for the last three financial years is negative. Hence the group is not required to incur Corporate Social Responsibility expenditure during the year. The unspent amount of Rs 68.11 lakhs as on 31st March 2021 pertains to preceding financial years. The same will be spent by the group in future years.

37. COVID -19 Impact on Business Operations: The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The Group has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory, Loans and

Advances and investments at balance sheet date. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The Group evaluated the internal controls with reference to financial statements which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COIVD-19 situation.

38. Leases

a) Effective 01st April 2019, the group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01st April 2019 using the modified retrospective approach.

b) Details of the Right to use of Asset held by the company as follows:

Particulars	**Building (₹ in Lakhs)**
Right to use of Asset as on commencement date of Ind AS 116 i.e., 01st April, 2019	
Addition	17.12
Deletion	-
Depreciation	(14.67)
Balance as at 31st March, 2020	**2.45**
Addition	67.64
Deletion	-
Depreciation	(19.47)
Balance as at 31st March, 2021	**50.62**

c) Movement in Lease liability

Particulars	Building (₹ in Lakhs)
Lease Liability recognised as on commencement date of Ind AS 116 i.e., 01st April, 2019	
Addition	31.29
Finance Cost Accrued	2.92
Payment of Lease Liability	29.40
Balance as at 31st March, 2020	**4.81**
Addition	67.64
Finance Cost Accrued	6.26
Payment of Lease Liability	25.65
Balance as at 31st March, 2021	**53.06**

d) Breakup of Current and Non-Current lease liabilities

Particulars	**Building (₹ in lakhs)**
Non-Current Liability	-
Current Liability (note no. 19)	53.06

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

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

g) Non cash financing and investing activities

(₹ In lakhs)

Particulars	**For the year ended 31-03-2021**	**For the year ended 31-03-2020**
Non cash financing and investing activities - Acquisition of Right-of-use Asset	67.64	17.12

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

40. During the financial year 2019-20 the company has accounted interest on movie finance amounting to Rs. 206.47 Lakhs till 30th June, 2019 on accrual basis whereas in the current year the Group has not recognized any interest income.

41. Contingent Liabilities: **(₹ in lakhs)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Claims against the company not acknowledged as debts		
- Service Tax	1,893.40	1,775.82
- Income Tax	135.98	-
- Non-Compliance of SEBI Regulations	-	7.60
- Others	-	38.44
Total	**2,029.38**	**1,821.86**

42. Earnings per Share

Particulars	Refer	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit / (loss) after Tax (₹ in Lakhs)	**A**	(4,803.47)	(6,705.20)
Number of Equity shares outstanding	**B**	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding	**C**	5,22,50,000	5,22,50,000
Earnings per share – Basic & Diluted (in Rs.)	**A/C**	(9.19)	(12.83)

43. Disclosure in Accordance with Ind AS -24 Related Party Transactions

a) List of Related parties where control exists:

Name of the person/ company	Nature of Relationship
Mr. Prasad V. Potluri, Managing Director	Key Managerial Persons
Mrs. Sai Padma Potluri, Executive Director (Resigned with effect from 01.06.2020)	
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from 31.07.2020)	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key Managerial Persons
PV Potluri Ventures LLP, Hyderabad	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Hyderabad	A private company in which a director's relative is a member or director.

b) Summary of transactions with the related parties during the year ended 31st March 2021 (₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sitting Fees paid to Directors		
Mr. N S Kumar	1.30	0.90
Mrs. P J Bhavani	0.90	0.10
Mr. Sohrab K Chinoy	1.30	1.20
Mr. Nanda Kumars S	0.75	0.20
Interest Expenses		
PV Potluri Ventures LLP, Hyderabad	-	2.90
BVR Malls Private Limited, Hyderabad	1.15	-
Sundry creditors written off		
PV Potluri Ventures LLP, Hyderabad	2.90	-
Loans and advances repaid/(received)		
PV Potluri Ventures LLP, Hyderabad	175.00	(175.00)
BVR Malls Private Limited, Hyderabad	(106.00)	-

c) Summary of Outstanding balances with the related parties as on 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Loans and Advances payable to Others		
PV Potluri Ventures LLP, Hyderabad	-	175.00
BVR Malls Private Limited, Hyderabad	107.15	
Interest payable to Others		
PV Potluri Ventures LLP, Hyderabad	-	2.90
Corporate Guarantees given/(received)		
PVP Capital Limited	10,000.00	10,000.00

d) List of Related Parties as per Companies Act, 2013

Name of the person/ company	Nature of Relationship
Mr. A Praveen Kumar, Chief Financial Officer	Key Managerial Persons
Mr. Vamsi Sesha Sai Ivaturi, Company Secretary	

e) Remuneration paid to Key Management Personnel (₹ In lakhs)

Transaction	Year Ending 31st March 2021	Year Ending 31st March 2020
Remuneration	**19.07**	**23.98**

44. Deferred Tax

Deferred Tax asset has not been recognised in respect of the following items: **(₹ in Lakhs)**

Particulars	31st March, 2021		31st March, 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	26,260.84	6,827.82	21,541.61	5,600.82
Tax losses	2,892.53	752.06	2,882.25	749.38
Effect of expenses not allowed for tax purpose	88.33	22.97	51.39	13.36
Total	**29,241.70**	**7,602.84**	**24,475.24**	**6,363.56**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2021.

45. Income tax expenses

Income tax expense in the statement of profit and loss comprises: **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax	-	-
Income tax related to earlier years	-	0.40
Total Current tax expenses	**-**	**0.40**
Deferred tax	**-**	**-**
Income tax expenses	**-**	**0.40**

(₹ In lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit/(loss) from the operation before income tax expenditure	(4,803.47)	(6,704.80)
Applicable Income tax rate	26.00%	26.00%
Tax at statutory Income Tax Rate	(1,248.90)	(1,743.25)
Effect of expenses not allowed for tax purposes	0.08	39.48
Effect of unrecognised deferred tax	1,248.82	1,703.77
Income tax related to earlier years	-	0.40
Income tax Expenses charged to statement of Profit or Loss	**-**	**0.40**

46. Employee Benefits

a) Defined Benefit Plan – Gratuity (₹ in Lakhs)

Gratuity Plan:	31st March 2021	31st March 2020
Defined benefit obligation (DBO)	(12.99)	(13.38)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/ (liability)	**(12.99)**	**(13.38)**

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

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March 2021

Particulars	2020-21	2019-20
Current Service Cost	1.34	1.31
Net Interest Cost	0.92	1.22
Total	**2.26**	**2.53**

Amount recognized in Other Comprehensive Income for the year ended 31st March 2021

Particulars	2020-21	2019-20
Actuarial (gain)/ loss on obligations	(2.63)	(5.12)

Changes in the present value of the defined benefit obligation for the year ended 31st March 2021 are as follows:

Particulars	2020-21	2019-20
Opening defined obligation	**13.38**	**15.96**
Current service cost	1.34	1.32
Interest cost on the Defined Benefit Obligation	0.92	1.22
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - Financial assumptions	(2.65)	(5.12)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	**12.99**	**13.38**

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

Particulars	31st March, 2021	31st March, 2020
Discount rate (in %)	6.80%	6.80%
Salary Escalation (in %)	7.50%	7.50%

Sensitivityanalysis

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

(₹ in Lakhs)

Particulars	31st March, 2021		31st March, 2020	
Defined Benefit Obligation (Base)	**12.99**		**13.38**	
(% change compared to base due to sensitivity)	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	13.85	12.23	14.30	12.57
Salary Growth Rate (- / + 1%)	11.54	14.70	11.83	15.19
Attrition Rate (- / + 1%)	12.44	13.50	12.78	13.92
Mortality Rate (- / + 1%)	12.97	13.00	13.36	13.39

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

Particulars	31st March 2021	31st March 2020
Within the next 12 months (next annual reporting period) - (₹ in lakhs)	1.37	1.35

Compensated Absences

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

b) Defined Contribution Plan

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognised Rs 0.20 Lakhs (Previous Year Rs.0.91 Lakhs) for provident fund contribution in the statement of profit or loss account.

47. Financial Instruments

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

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2021 were as follows: (₹ in lakhs)

Particulars	Amount as on 31st March, 2021	Amount as on 31st March, 2020
Financial assets:		
Fair through Profit or Loss		
- Investments in Mutual Funds	5.02	4.76
Amortised Cost		
- Bank balances other than cash and cash equivalents	15.50	3.90
- Trade Receivables	8.52	21.10
- Loans	4,095.23	5,439.95
- Other Financial Assets	1,336.23	1,434.07
Financial liabilities:		
Amortised Cost		
- Borrowings	18,444.80	18,247.01
- Trade Payables	40.30	52.68
- Other Financial Liabilities	10,908.44	8,059.91

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

48. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the group's operations. The group's principal financial assets comprise investments, cash and bank balance, trade and other receivables. The group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below.

i) Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's Long-Term borrowings of the company bearing floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The group`s exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

Sensitivity-Analysis

An Increase / Decrease of 100 basis points in interest rate at the end of the reporting period of the variable financial instruments would

(Decrease) / Increase profit after taxation for the year by the amounts shown below. This analysis assumes all other remain constant.

Profit / (Loss) After taxation

Particulars	31st March, 2021	31st March, 2020
Financial liabilities – Borrowings		
+1% (100 basis points)	74.00	74.00
-1% (100 basis points)	(74.00)	(74.00)

There are no hedging instruments to mitigate this risk.

(₹ In Lakhs)

b) **Foreign currency risk**

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

ii) **Credit risk**

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

a. Credit risk related to financial services business:

The following table sets out information about credit quality of loan assets measured at amortised cost based on the months past due information. The amount represents gross carrying amount.

Particulars	Financial Year 2020-21	Financial Year 2019-20
Gross carrying value of loan assets		
Neither past due nor impaired	-	-
Past due but not impaired	-	-
1- 3 months past due	-	-
More than 3 months past due	15,381.04	15,381.04
Impaired (more than 3 months)	(13,889.46)	(12,397.87)
Total Gross carrying value as at reporting date	**1,491.58**	**2,983.18**

b. Credit risk related to Financial Loans:

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

The Group applies the simplified approach for providing expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all loans and advances. The group has computed expected credit losses based on the current information of the borrowers and status of the film production.

The Group has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The nature of collateral security is in the form of personal guarantee of the borrowers. Further this personal guarantee is backed up with the list of immovable properties held by the borrower with the original title deeds.

The maximum exposure to credit risk of loans and advances is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral security.

c. Credit risk related to corporate guarantee furnished:

The parent company has furnished a corporate guarantee of Rs. 10,000 Lakhs to a bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai. The ultimate parent company viz. PVP Ventures Limited, Chennai, of the borrower has also furnished a guarantee of Rs. 10,000 Lakhs and also offered a land property whose market value is approximately Rs. 18,000 Lakhs. The borrowings outstanding together with interest is Rs. 20,012.67 Lakhs. PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to banks consequent to which the banks have filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). The Bank has issued E-auction sale notice for sale of immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI). There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement with the bank, which is under process. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

d. **Trade receivables:**

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

As on 31st March 2021, outstanding receivables amounting to Rs. 8.52 Lakhs (previous year – Rs. 21.10 lakhs).

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

iii) **Liquidity risk**

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

The table below provides details regarding the contractual maturities of Financial Liabilities: **(₹ In lakhs)**

Particulars	On demand	< 1 year	1-5 years	More than 5 years	Total
As at 31st March 2021					
Borrowings	1,306.69	10,000.00	7,138.11	-	18,444.80
Trade payables	-	40.30	-	-	40.30
Interest accrued	-	10,855.38	-	-	10,855.38
Other Financial Liabilities	-	53.06	-	-	53.06
Total	**1,306.69**	**20,948.74**	**7,138.11**	**-**	**29,393.54**

Particulars	On demand	< 1 Year	1-5 years	More than 5 years	Total
As at 31st March 2020					
Borrowings	225.00	10,000.00	8,022.01	-	18,247.01
Trade payables	-	52.68	-	-	52.68
Interest accrued	-	8,031.71	-	-	8,031.71
Other Financial Liabilities	-	28.20	-	-	28.20
Total	**225.00**	**18,112.59**	**8,022.01**	**-**	**26,359.60**

49. Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 **(₹ in Lakhs)**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	**(2)**	**(3)**	**(4)**	**(5) = (3)-(4)**	**(6)**	**(7) = (4) - (6)**
Performing Assets						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Subtotal		-	-	-	-	-
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	15,381.04	13,889.46	1,491.58	6,152.42	7,737.04

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
Total	**Stage 1**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
	Total	**15,381.04**	**13,889.46**	**1,491.58**	**6,152.42**	**7,737.04**

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classifications and Provisioning (IRCAP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31st March, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

50. Capital Management

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

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

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings	18,444.80	18,247.01
Cash and Cash Equivalents	(0.60)	(0.03)
Bank Balances other than Cash and Cash Equivalents	(15.50)	(3.90)
Net Debt	**18,428.70**	**18,243.08**
Equity Share Capital	5,225.00	5,225.00
Other Equity	(25,778.29)	(20,977.45)
Total Equity	**(20,553.29)**	**(15,752.45)**
Debt Equity Ratio	**(0.90)**	**(1.16)**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2021 and 31st March 2020.

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

51. Financial information pursuant to Schedule III of Companies Act, 2013: **(₹ in Lakhs)**

Name of the Entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As at 31st March 2021		Year ended 31st March 2021		Year ended 31st March 2021		Year ended 31st March 2021	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated OCI	Amount	As % of Consolidated TCI	Amount
Holding Company								
Picturehouse Media Limited	(6.15%)	1,108.81	1.77%	(85.26)	49.43%	1.30	1.75%	(83.96)
Indian Subsidiaries								
PVP Capital Limited	106.10%	(19,132.25)	98.22%	(4,717.72)	50.57%	1.33	98.24%	(4,716.39)
PVP Cinema Private Limited	0.05%	(8.11)	0.01%	(0.60)	-	-	0.01%	(0.60)
Less: Inter-company eliminations		(2521.74)		-	-	-	-	0.11
Total	**100%**	**(20,553.29)**	**100%**	**(4,803.47)**	**100%**	**2.63**	**100%**	**(4,800.84)**

52. Estimated amounts of contracts remaining to be executed on capital account and not provided for Nil. (Last year – Nil)

53 Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

Disaggregated revenue information

A Type of goods and service

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) Revenue from distribution and exhibition of film and other rights	1.43	1,241.16
(b) Income from Movie finance	-	206.47
Total Operating Revenue	**1.43**	**1,447.63**
In India	1.43	1,447.63
Outside India	-	-

B Timing of revenue recognition

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Revenue from distribution and exhibition of film and other rights and other operating income	1.43	Nil	1,447.63	Nil

C Contract Balances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract Assets	Nil	Nil
Contract Liabilities	Nil	Nil

Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

D Revenue recognised in relation to contract liabilities **(₹ in Lakhs)**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue recognised in relation to contract liabilities	Nil	Nil

E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue at contracted prices	Nil	Nil
Revenue from contract with customers	Nil	Nil
Difference	Nil	Nil

F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.
For Sundaram & Srinivasan
Chartered Accountants
Firm Reg No. 004207S

Sd/-
Venkatasubramanian.S
Partner
Membership No. 219238

Place : Chennai
Date : June 22, 2021

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Managing Director
(DIN: 00179175)
Place : Hyderabad
Date : June 22, 2021

Sd/-
N.S. KUMAR
Director
(DIN: 00552519)
Place : Chennai
Date : June 22, 2021

Sd/-
A PRAVEEN KUMAR
Chief Financial Officer

Place : Hyderabad
Date : June 22, 2021

Sd/-
SAITEJA IVATURI
Company Secretary
ACS Membership NO. A62627
Place : Hyderabad
Date : June 22, 2021

PICTUREHOUSE MEDIA LIMITED

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