INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

To the Members of

Picturehouse Media Limited, Chennai.

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the Standalone Ind AS financial statements of Picturehouse Media Limited, Chennai ("the Company"), which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph below* ***including the disclosure of "Material Uncertainty Related to Going Concern",*** the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2023, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

(i) Attention is invited to note no. 43 to the Statement, in relation to inventory i.e., films production expenses amounting to Rs. 2,949.92 Lakhs, consists of advances granted to artists and co-producers. As represented by the Management the film production is under progress with respect to production of 2 movies costing Rs 70.09 lakhs. In respect of the balance inventory of Rs 2,879.83 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2,879.83 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.

(ii) Attention is invited to note no.44 to the Standalone Financial Statements, Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL)

The subsidiary's networth stands at Rs. 515.20 lakhs (negative) as at 31.03.2023. The possibility of liberal cash flow is dim. The company has also defaulted in 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.

Material Uncertainty relating to Going Concern

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

Note No.45 in the financial statements which indicates that the company is advancing for production of movies, it is still incurring losses from operations (negative networth Rs. 4,033.45 lakhs). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraphs, and other related factors indicate that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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Key Audit Matters

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

Contingent Liabilities in relation to Service Tax Litigations

Key audit matter	**How the matter was addressed in our audit**
The Company has received certain demand orders and notices relating to service tax matters. The company is contesting these demands (refer note no. 49 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 the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the Standalone Ind AS Financial Statements.

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

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

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

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flows statement dealt with by this Report are in agreement with the books of account.

(d) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above,* in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

(f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

(h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, during the year, the company has not paid remuneration to director(s). Therefore, the question of remuneration paid to the directors over and above the limits laid down under this section doesn't arise.

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

i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Ind AS financial statements - refer note 49 to the Standalone Ind AS financial statements;

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

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

iv. a) The Board has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Board has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no15 to financial statements, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.

v. The company has not declared any dividend during the year. Hence, reporting with respect to compliance with the provisions of section 123 of the Act does not arise.

For R P S V & Co.,
Chartered Accountants
Firm's Registration Number: 0013151S

D Purandhar
Partner
Membership no.: 221759
ICAI UDIN: 23221759BGWAJM2650

Place: Chennai
Dated: May 23, 2023

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

Annexure 1 referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended March 31, 2023

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company does not own any intangible assets and hence para 3(i)(a) (B) is not applicable to the company.

(b) Property, Plant and Equipment are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

(d) The company has not revalued its Property, Plant and Equipment, (including Right of Use assets) during the year. The Company does not own any intangible assets.

(e) As explained to us by the Management no proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) As explained to us by the management, the company is a service company, namely movie production. The movie production/ making of content require various types, qualities of content related consumable and inputs. Due to the multiplicity and complexity of the items, it is not practicable to maintain the quantitative records/ continuous stock register. All the purchases of content related consumable/consumables are treated as consumed. In view of this, the company does not maintain stock register and also does not carry out physical verification of stock.

b) The company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets and hence reporting under para 3(ii) (b) is not applicable

(iii) During the year, the company has neither made any investment , nor furnished any guarantee nor provided security nor granted any loan or advances in the nature of loans , secured or unsecured, to companies (other than one wholly owned subsidiary), firms ,Limited Liability partnerships or any other parties. During the year the company has made interest free loan without specifying any term or period of repayment to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS.

(a) During the year the company has made interest free loan to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS

(A) - the aggregate amount of interest free loans advanced to the wholly owned subsidiary company during the year is Rs 0.97 lakhs

-the company has not made a provision of Rs 0.97 lakhs during the year and the balance outstanding as at the year end is 1.18 Lakhs.

The company does not have joint venture or an associate.

(B) During the year ,the company has not made any loans or advances and has not furnished guarantees or provided security to any party other than a wholly owned subsidiary. The balance outstanding at the balance sheet date with respect to loans and advances granted to other parties is Rs. Nil.

(b) The loan granted during the year as mentioned above is interest free and was fully provided for in the books of the company and hence it is prejudicial to the company's interest.

(c) The company has treated the interest free loan made to its wholly owned subsidiary as deemed investment as per Ind AS and hence reporting under clauses iii (c) ,iiii (d), iii (e) of para 3 of the Order, does not arise.

(d) During the year the company has made interest free loan without specifying any term or period of repayment to one of its wholly owned subsidiary companies and treated the same as deemed investment as prescribed under Ind AS. Aggregate amount of loan granted during the year is Rs 0.97 lakhs and percentage thereof to total loans granted during the year is 100%.

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

(v) The company has not accepted any deposit or amounts deemed to be deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause v of para 3 of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and hence reporting under this clause does not arise.

(vii) (a) According to the records provided to us, the company is generally regular (other than the dues mentioned below) in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance. Income Tax (including Tax Deducted at Source), Duty of Customs, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities wherever applicable. The following undisputed amount is outstanding for a period of more than 6 months from the date they became payable

Name of the statue	Nature of Dues	Amount Rs in lakhs	Period to which it relates	Date of payment
Finance Act ,1994	Service Tax	4.69	RCM Payable as on 31.03.2017	Yet to be remitted
Income Tax Act, 1961	Tax deducted at source (TDS)	478.96	April 2016 to August 2021	-do-
Income Tax Act, 1961	Interest on TDS	329.30	April 2016 to March 2022	-do-
Goods and Service Act, 2017	Interest on GST payable	5.96	April 2017 to March 2019	-do-

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

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

(viii) According to the information and explanations furnished to us, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) The company has neither defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) The company has not availed any term loan and hence reporting under clause (ix) (c) is not applicable.

(d) The funds raised on short term basis have not been utilized for long term purposes.

(e) The company has not availed any funds from any entity or person on account of or to meet the obligations of its wholly owned subsidiaries. The company does not have a joint venture or an associate.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have a joint venture or an associate.

(x) (a) The Company has not raised money by way of public issue offer or further public offer (including debt instruments) and hence the question of utilization of money raised by way of initial public offer does not arise.

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(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under this clause does not arise.

(xi) (a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.

(b) In view of what is stated in point no. xi (a) above, no report under sub-section 12 of section 143 of Companies Act, 2013 has been filed in Form ADT-4 during the year.

(c) According to information furnished to us, the company has not received any whistle-blower complaints during the year.

(xii) The Company is not a Nidhi Company. Therefore, reporting under paragraph 3(xii) of the Order is not applicable to the Company

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit are considered by us .

(xv) According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Act.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3 (xvi) (a) is not applicable to the company.

(b) The company has not conducted any non banking financial or housing finance activities. Hence, reporting under this para 3 (xvi) (b) is not applicable to the company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, para 3 (xvi) (c) of the order is not applicable

(d) In our opinion, the group has more the one core investment company as part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) .There are two core investment companies which are part of the group

(xvii) The company has incurred cash loss of Rs. 565.97 Lakhs in the financial year. The company has not incurred cash loss in the preceding financial year .

(xviii) During the year, there is no resignation of statutory auditors. Accordingly , reporting under this clause 3 (xviii) is not applicable.

(xix) Based on the information available and explanations furnished to us , in respect of loan availed from one party(balance as at the year end – Rs 6496.44 lakhs), there is no fixed due date for repayment within a period of one year from the balance sheet date. We have been represented that steps are being taken to extend the tenor of the loan .However report under this clause has to be read along with point no (iv) of "Basis of Qualified Opinion" paragraph regarding Going Concern.

(xx) (a) The company was not required to spend Corporate Social Responsibility expenditure under section 135 of the Act for the financial year ended March 31, 2023.

(b) The company was not required to spend under section 135 of the Act for the financial year ended March 31, 2023. Hence reporting under this sub clause does not arise.

(xxi) Regarding qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, refer Point no 2 under " Report on Other Legal and Regulatory Requirements" in our report of even date on Consolidated Financial Statements.

For R P S V & Co.,
Chartered Accountants
Firm's Registration Number: 0013151S

D Purandhar
Partner
Membership no.: 221759
ICAI UDIN: 23221759BGWAJM2650

Place: Chennai
Dated: May 23, 2023

INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

ANNEXURE - 2 TO INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS ON THE STANDALONE FINANCIAL STATEMENTS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

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

We have audited the internal financial controls with reference to standalone financial statements of Picturehouse Media Limited, Chennai (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls with reference to Financial Statements

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

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

I. pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

ANNEXURE - 2 TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON THE STANDALONE FINANCIAL STATEMENTS OF STANDALONE FINANCIAL STATEMENTS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023 - continued..........

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the standalone financial statements as at 31st March, 2023

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

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

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

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31st March, 2023, based on internal control over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI

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

For R P S V & Co.,
Chartered Accountants
Firm's Registration Number: 0013151S

D Purandhar
Partner
Membership no.: 221759
ICAI UDIN: 23221759BGWAJM2650

Place: Chennai
Dated: May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

(Rs. in Lakhs)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Property, Plant and Equipment	4a	13.50	16.15
	(b) Right of use assets	4b	4.14	27.84
	(c) Financial Assets			
	(i) Investments	5	2,521.74	2,521.74
	(ii) Other financial assets	6	11.23	10.72
	(d) Other non current assets	7	87.49	93.10
	Total Non Current Assets		**2,638.10**	**2,669.55**
(2)	**Current assets**			
	(a) Inventories	8	2,949.92	3,861.90
	(b) Financial Assets			
	(i) Trade receivables	9	73.02	0.95
	(ii) Cash and cash equivalents	10	5.18	3.92
	(iii) Loans	11	-	1,123.20
	(iv) Other financial assets	12	-	509.94
	(c) Current tax assets	13	13.42	55.15
	(d) Other current assets	14	14.43	63.13
	Total Current Assets		**3,055.97**	**5,618.19**
	Total Assets		**5,694.07**	**8,287.74**
II	**EQUITY AND LIABILITIES**			
A	**EQUITY**			
	(a) Equity Share Capital	15	5,225.00	5,225.00
	(b) Other Equity		(9,258.45)	(7,257.96)
	Total Equity		**(4,033.45)**	**(2,032.96)**
B	**LIABILITIES**			
(1)	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	6,735.88	7,284.41
	(ia) Lease liabilities	17	-	17.81
	Total Financial Liabilities		**6,735.88**	**7,302.22**
	(b) Provisions	18	7.36	5.73
	Total Non Current Liabilities		**6,743.23**	**7,307.96**
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(ia) Lease liabilities	19	4.59	12.46
	(ii) Trade payables			
	(A) Total Outstanding dues of Micro Enterprises and Small Enterprises	20	-	6.94
	(B) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	20	14.89	42.22
	(iii) Other financial liabilities	21	2,121.04	2,092.79
	Total Financial Liabilities		**2,140.52**	**2,154.41**
	(b) Other current liabilities	22	843.38	857.66
	(c) Provisions	23	0.39	0.67
	Total Current Liabilities		**2,984.29**	**3,012.75**
			-	-
	Total Equity and Liabilities		**5,694.07**	**8,287.74**

Summary of Significant Accounting Policies 1-3

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

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

D Purandhar
Partner
Membership No. 221759

Place : Chennai
Date : May 23, 2023

For and on behalf of the Board of Directors

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

A Praveen Kumar
Chief Financial Officer

Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023 (Rs. in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2023	For the year ended 31st March, 2022
I.	Revenue from operations	24	1,367.69	805.53
II.	Other income	25	11.41	9.63
III.	**Total Income (I + II)**		**1,379.09**	**815.16**
IV.	**Expenses:**			
	a. Cost of film production expenses	26	1,799.63	260.00
	b. Purchases of Stock-in-Trade		-	-
	c. Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
	d. Employee benefit expense	27	40.69	24.94
	e. Finance costs	28	5.88	137.35
	f. Depreciation and amortization expense	4a&4b	26.64	29.39
	g. Other expenses	29	72.22	92.83
	Total expenses		**1,945.06**	**544.51**
V.	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(565.97)**	**270.65**
VI.	Exceptional items	30	1,425.63	3,420.08
VII.	**Profit/(Loss) before tax (V - VI)**		**(1,991.60)**	**(3,149.43)**
VIII.	**Tax Expenses**			
	(c) Current tax		-	0.20
	(2) Deferred Tax		-	-
	(3) Income tax for earlier years		8.89	-
	Total Tax Expenses		**8.89**	**0.20**
IX.	**Profit/(Loss) for the year (VII - VIII)**		**(2,000.49)**	**(3,149.63)**
X.	**Other Comprehensive Income, net of tax**			
	Items that will not be reclassified subsequently to profit and loss		-	-
	Remeasurement of defined benefit obligation		(0.17)	7.86
	Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
			(0.17)	**7.86**
	Items that will be reclassified subsequently to profit and loss		-	-
	Other Comprehensive income, net of tax (X)		**(0.17)**	**7.86**
XI.	**Total Comprehensive income for the year (IX + X)**		**(2,000.66)**	**(3,141.77)**
XII.	**Earnings per equity share of nominal value Rs. 10 each :**			
	(1) Basic and diluted (not annualised) (Rs.)		**(3.83)**	**(6.03)**
	Summary of Significant Accounting Policies	1-3		

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

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

D Purandhar
Partner
Membership No. 221759

Place : Chennai
Date : May 23, 2023

For and on behalf of the Board of Directors

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

A Praveen Kumar
Chief Financial Officer
Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023 (Rs. in Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax		(1,991.60)	(3,149.43)
Adjustments for:			
Exceptional item		1,425.63	3,420.08
Depreciation and Amortization		26.64	29.39
(Profit) / Loss on sale of Property, Plant & Equipment		(0.09)	0.08
Assets written off		0.29	2.67
Gain on sale of mutual funds		-	(0.11)
Fair Value of investments through Profit and Loss		-	-
Payable written up		(6.89)	(4.42)
Provision for expenses no longer required - written up		-	(1.79)
Unwinding of Interest income on rental deposits		(0.60)	(0.49)
Interest receipts		3.82	(2.37)
Provision for Doubtful Advances and Debtors		1.18	0.21
Provision for employee benfits		(1.34)	(1.44)
Interest Expenses		2.25	46.97
Cash Generated Before Working Capital Changes		**(540.70)**	**339.35**
Movement In Working Capital			
Increase / (Decrease) in Trade Payables		(27.33)	16.82
Increase / (Decrease) in Other Financial Liabilities		35.14	(519.14)
Increase / (Decrease) in Other Liabilities		(14.28)	91.20
(Increase) / Decrease in Trade Receivables		(72.07)	7.57
(Increase) / Decrease in Loans		-	22.50
(Increase) / Decrease in Inventories		911.97	(174.16)
(Increase) / Decrease in Other Financial Assets		(0.51)	11.28
(Increase) / Decrease in Other Assets		48.70	50.95
Cash Generated From Operations		**340.93**	**(153.63)**
Direct Taxes Refund		-	-
Direct Taxes Paid		38.45	(55.35)
Net Cash Flow From / (Used in) Operating Activities	**(A)**	**379.38**	**(208.98)**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
Repayment/(Advances) made for Film Production		207.51	109.96
Proceeds from sale of Property, Plant & Equipment		-	-
Investments in /advance to subsidiary companies		-	(0.21)
Proceeds from sale of mutual funds		-	5.14
Net Cash Flow From / (Used in) Investing Activities	**(B)**	**207.51**	**114.46**
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from/(to) Short - Term Borrowings (Net)		-	-
Payment of lease liabilities		(22.20)	(21.82)
Proceeds from Long Term Borrowings		-	-
Repayment of Long Term Borrowings		(548.53)	104.05
Net Cash Flow From / (Used in) Financing Activities	**(C)**	**(570.73)**	**82.23**
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	16.15	(12.29)
Cash and Cash Equivalents at the beginning of the year		3.92	15.78
Cash and Cash Equivalents at the end of the year		**20.07**	**3.49**
Components of Cash and Cash Equivalents			
Cash in Hand		0.00	-
Balances with Banks			
-In Current Accounts		5.18	3.92
Cash and cash Equivalent		**5.18**	**3.92**
Summary of Significant Accounting Policies	**2**		

As per our report of even date

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

For and on behalf of the Board of Directors

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

D Purandhar
Partner
Membership No. 221759

A Praveen Kumar
Chief Financial Officer

Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

Place : Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Rs. in lakhs

A. Equity Share Capital

(1) Year ended 31st March 2023 (refer Note No.:)

Balance at the beginning of 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the 31st March 2023
5,225.00	-	-	-	5,225.00

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

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

B.Other Equity

(1) Year ended 31st March 2023 (refer Note No.:)

Particulars	Reserves & Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings			
				Profit/(Loss) in the statement of Profit or Loss	Defined benefit plan	Remeasurements of net defined benefit Liability/Asset	
Balance at the beginning of 1st April 2022	22.88	182.50	-	(7,495.31)	31.97	-	(7,257.97)
Profit for the year, net of income tax	-	-	-	(2,000.49)	-	-	(2,000.48)
Other compreshensive income for the year				-	-	(0.17)	(0.17)
earnings	-	-	-	-	-	0.17	0.17
Balance at the end of 31st March 2023	22.88	182.50	-	(9,495.80)	31.97	-	(9,258.45)

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

Particulars	Reserves & Surplus					Other Items of Other Comprehensive Income	Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings			
				Profit/(Loss) in the statement of Profit or Loss	Defined benefit plan	Remeasurements of net defined benefit Liability/Asset	
Balance at the beginning of 1st April 2021	22.88	182.50	-	(4,345.68)	24.11	-	(4,116.19)
Profit for the year, net of income tax	-	-	-	(3,149.63)	-	-	(3,149.62)
Other compreshensive income for the year				-	-	7.86	7.86
earnings	-	-	-	-	7.86	(7.86)	-
Balance at the end of 31st March 2022	22.88	182.50	-	(7,495.31)	31.97	-	(7,257.96)

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 R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

For and on behalf of the Board of Directors

D Purandhar
Partner
Membership No. 221759

Prasad V. Potluri
Managing Director
(DIN: 00179175)

A Praveen Kumar
Chief Financial Officer

Derrin Ann George
Company Secretary
ACS M. No: A67004

Place : Chennai
Date : May 23, 2023

Hyderabad
Date : May 23, 2023

Hyderabad
Date : May 23, 2023

Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Notes to Standalone Financial Statements for the year Ended 31st March 2023

Note No 4a : Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Plant and Equipment	Computers and Related Assets	Furnitures & Fixtures	Vehicles	Office Equipments	Total
Gross Block						
Gross Carrying value as on 1st April, 2021	1.22	16.82	18.35	36.58	62.74	135.71
Additions	-	-	-	-	-	-
Disposals	-	5.38	4.11	9.17	12.09	30.75
Gross Carrying value as on 31st March, 2022	1.22	11.44	14.24	27.41	50.65	104.96
Additions	-	0.43	-	-	-	0.43
Disposals	-	0.53	-	-	0.01	0.54
Gross Carrying value as on 31st March, 2023	1.22	11.33	14.24	27.41	50.64	104.85
Accumulated Depreciation						
Accumulated Depreciation as on 1st April, 2021	1.14	14.39	14.32	22.72	58.08	110.65
Depreciation for the year	-	0.11	1.74	3.61	0.08	5.54
Depreciation on disposals	-	4.42	3.40	8.46	11.10	27.38
Accumulated Depreciation as on 31st March, 2022	1.14	10.08	12.66	17.87	47.06	88.81
Depreciation for the year	-	0.12	0.64	2.02	-	2.79
Depreciation on disposals	-	0.24	-	-	0.01	0.25
Accumulated depreciation as on 31st March, 2023	1.14	9.96	13.30	19.89	47.05	91.35
Net carrying amount						
As at 31st March, 2022	0.08	1.36	1.58	9.54	3.59	16.15
As at 31st March, 2023	0.08	1.38	0.94	7.52	3.59	13.50

The Company did not revalue any Property, plant and equipment.

Note No 4b : Right of use assets

(Rs. In Lakhs)

Particulars	Right of Use Building	Total
<u>Gross Block</u>		
Gross Carrying value as on 1st April, 2021	**84.76**	**84.76**
Additions	1.07	1.07
Disposals	-	-
Gross Carrying value as on 31st March, 2022	**85.83**	**85.83**
Additions	-	-
Disposals	0.34	0.34
Gross Carrying value as on 31st March, 2023	**85.49**	**85.49**
<u>Accumulated Depreciation</u>		-
Accumulated Depreciation as on 1st April, 2021	**34.14**	**34.14**
Depreciation for the year	23.85	23.85
Depreciation on disposals	-	-
Accumulated Depreciation as on 31st March, 2022	**57.99**	**57.99**
Depreciation for the year	23.36	23.36
Depreciation on disposals	-	-
Accumulated depreciation as on 31st March, 2023	**81.35**	**81.35**
		-
<u>Net carrying amount</u>		-
As at 31st March, 2022	27.84	27.84
As at 31st March, 2023	**4.14**	**4.14**

During the year, as well as in the preceeding financial year, Right-of-use asset(s) has not been revalued.

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Notes to Standalone Financial Statements for the Year Ended 31st March 2023

Note No	Particulars	As at 31st March 2023	As at 31st March 2022
5	**Financial Assets**		
	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].	52.52	52.52
	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
		2,574.26	**2,574.26**
	Less: Provision for dimunition in value of investment in a subsidiary viz. PVP Cinema Private Limited, Chennai	(52.52)	(52.52)
		2,521.74	**2,521.74**
6	**Other Financial assets (non-current)**		
	Security Deposits - (Rental Deposits)	11.23	10.72
		11.23	**10.72**
7	**Other Assets**		
	Non Current		
	Tax Deducted at Source(TDS) Receivable	-	5.61
	Taxes Paid Under protest	87.49	87.49
		87.49	**93.10**
8	**Inventories**		
	Film Production -in- progress (refer note no.43)	2,949.92	3,861.90
	(Valued at lower of cost or net realisable value)		
		2,949.92	**3,861.90**
9	**Trade Receivables**		
	Current		
	Unsecured - Considered Good	73.02	0.95
	Credit Impaired	565.30	565.30
	Sub-total	**638.32**	**566.25**
	Less: Allowance for doubtful debts (Expected credit loss allowance)*	(565.30)	(565.30)
		73.02	**0.95**
10	**Cash and Cash Equivalents**		
	Balance with banks		
	In Current Accounts	5.18	3.92
	Cash on hand	0.00	0.00
		5.18	**3.92**
11	**Loans**		
	Current		
	Secured - Considered Good		
	Advance for Film Production	2,253.45	2,460.96
	Less: Allowance for bad and doubtful advances	(2,253.45)	(1,337.76)
	Unsecured - Considered Good		
	Advances for Staff	-	-
	Loans receivables - credit Impaired		
	Advances for Others	50.00	50.00
	Less: Provision for Doubtful Advances	(50.00)	(50.00)
		-	**1,123.20**
12	**Other Financial Assets**		
	Current		
	Interest accrued on		
	- Staff advance(s)	-	-
	- Advance for film production	1,324.37	1,324.37
	Less: Allowance for interest accrued	(1,324.37)	(814.43)
		-	**509.94**
13	**Current Tax Asset**		
	Tax deducted at source Receivable (Net of tax)	13.42	55.15
		13.42	**55.15**
14	**Other Current Assets**		
	(a) Prepaid expenses	0.33	0.27
	(b) Balance with Government Authorities		
	Goods and Services Tax	13.80	62.86
	(b) Others	0.30	-
		14.43	**63.13**

9A

Trade receivables(Currrent) ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from the due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	73.02	-	-	-	-	73.02
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**73.02**	**-**	**-**	**-**	**-**	**73.02**

Trade receivables(Currrent) ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from the due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	0.95	-	-	-	-	0.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**0.95**	**-**	**-**	**-**	**-**	**0.95**

Trade payables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	12.45	0.78	1.66	-	14.89
iii. Disputed dues-MSME	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-
Total	**12.45**	**0.78**	**1.66**	**-**	**14.89**

Trade payables ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i. MSME	-	6.94	-	-	6.94
ii. Others	36.06	6.16	-	-	42.22
iii. Disputed dues-MSME	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-
Total	**36.06**	**13.10**	**-**	**-**	**49.16**

Note No.15: Equity Share Capital

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

(Rs in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 2022 - 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, 2023		As at 31st March 2022	
	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 previous financial year viz. 2020-21, the subsidiary company repaid the loan amount under one time settlement scheme. The remaining shares (viz. 9,68,480 nos.) of the company held by PVP Ventures Limited is yet to be transferred, pending receipt of documents from the lender bank.

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

Particulars	As at 31st March, 2023		As at 31st March 2022	
	No. of shares	Amount	No. of shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	5,225.00	52,250,000	5,225.00
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**	**5,225.00**	**52,250,000**	**5,225.00**

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

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

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

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

(h) Shares held by promoters at the end of the year: 31st March 2023

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1.PVP Ventures Limited, Chennai	2,353,114	4.50%	-
2.Jhansi Sureddi, Hyderabad	11,757,249	22.50%	-
3.PVP Global Ventures Private Limited, Chennai	11,236,641	21.51%	-
4.PVP Media Ventures Private Limited, Chennai	12,299,650	23.54%	-

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

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1.PVP Ventures Limited, Chennai	2,353,114	4.50%	-
2.Jhansi Sureddi, Hyderabad	11,757,249	22.50%	-
3.PVP Global Ventures Private Limited, Chennai	11,236,641	21.51%	-
4.PVP Media Ventures Private Limited, Chennai	12,299,650	23.54%	-

PICTUREHOUSE MEDIA LIMITED, CHENNAI
Notes to Standalone Financial Statements for the Year Ended 31st March 2023

Note No	Particulars	As at 31st March 2023	As at 31st March 2022
16	**Financial Liabilities (Non - Current)**		
	Borrowings (Unsecured) - From Company		
	- From Related parties (refer note no.52)	6,735.88	7,284.41
		6,735.88	**7,284.41**
17	**Lease liabilities - Non Current**		
	Lease Liability (refer note no.47)	-	17.81
		-	**17.81**
18	**Provisions (Non - Current)**		
	Employee benefits - Gratuity	7.36	5.73
		7.36	**5.73**
19	**Lease liabilities - Current**		
	Lease Liability (refer note no.47)	4.59	12.46
		4.59	**12.46**
20	**Trade Payables (Current)**		
	For services	14.89	49.16
		14.89	**49.16**
21	**Other Financial Liabilities (Current)**		
	Other payables to a subsidiary company	2,121.04	2,092.79
		2,121.04	**2,092.79**
22	**Other Current Liabilities**		
	Statutory Dues	835.77	850.06
	Penalty to a stock exchange	7.60	7.60
		843.38	**857.66**
23	**Provisions (Current)**		
	Provision for employee benefits		
	Gratuity	0.39	0.67
	Compensated absences	-	-
		0.39	**0.67**

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Notes to Standalone Financial Statements for the Year Ended 31st March 2023

Note No	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
24	**Revenue from Operations**		
	Revenue from distribution and exhibition of film and other rights	1,367.69	805.53
		1,367.69	**805.53**
25	**Other Income**		
	Interest on Income Tax Refund	3.31	0.45
	Payable written up	6.89	4.42
	Profit on Sale of Assets	0.09	-
	Interest on Advances to Staff	-	2.37
	Provision no longer required written back	-	1.79
	Interest on Security Deposit	0.51	-
	Gain on sale of mutual funds	-	0.11
	Unwinding of Interest income on rental deposits	0.60	0.49
		11.41	**9.63**
26	**Cost of Film Production Expenses**		
	Opening Film Production Expenses	3,861.90	4,955.64
	Less: Inventory Written off during the year	-	(1,267.90)
	Sub-total	**3,861.90**	**3,687.74**
	Add: Current year Film Production Expenses	887.66	434.16
	Sub-total	**4,749.55**	**4,121.90**
	Less: Closing Stock of film under production	2,949.92	3,861.90
		1,799.63	**260.00**
27	**Employee Benefit Expenses**		
	Salaries and wages	38.47	23.49
	Gratuity (Refer note no. 18)	1.17	1.45
	Contribution to provident fund and other funds	-	-
	Welfare expenes	1.05	-
		40.69	**24.94**
28	**Finance Cost**		
	Interest on unsecured loans	-	41.83
	Interest on lease liability	2.25	5.14
	Interest others	3.63	90.38
		5.88	**137.35**
29	**Other Expenses**		
	Rent	-	-
	Insurance	0.63	0.55
	Power and Fuel	3.80	5.24
	Printing and Stationery	0.01	0.46
	Communication Expenses	0.73	0.68
	Repairs and Maintenance		
	- Vehicles	-	-
	- Others	3.60	3.40
	Corporate Social Responsibility expenses	-	9.00
	Rates and taxes	0.14	1.86
	Payments to auditors	-	-
	for statutory audit	7.70	7.50
	for reimbursement of expenditure	-	-
	for certification charges	-	-
	Directors Sitting Fees	5.31	4.15
	Legal, Professional and consultancy	17.78	7.28
	Membership Fee	0.19	0.09
	Office Maintenance	5.12	3.15
	Advertisement, publicity and sales promotion	12.63	38.29
	Bank Charges	0.06	0.30
	Investor related expenses including Listing Fees	7.05	6.03
	Penalty	0.11	0.51
	Travel Expenses including Conveyance	5.91	1.38
	Loss on sale of asset	-	0.08
	Assets written off	0.29	2.67
	Provision for Doubtful Advances and Debts	1.18	0.21
		72.22	**92.83**
30	**Exceptional items**		
	Inventory Written Off	-	1,267.90
	Provision for Doubtful Advances and Debts	1,425.63	2,152.18
		1,425.63	**3,420.08**

31 No proceedings have been inititated or pending against the Company for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.

32 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

33 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

33 The Company has not operated in any crypto currency or Virtual Currency transactions.

34 The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (as per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments other than the deemed investments in the subsidiaries.

35 There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

36 During the year the Company has not disclosed or surrendered, any income other than the income recoginsed in the books of accounts in the tax assessments under Income Tax Act, 1961.

37 The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

38 No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

39 The Company has not availed loan from bank or financial institution on the basis of security of current assets.

40 The Company has not been declared a wilful defaulter by any bank or financial institution or other

41 Charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period - Nil.

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Notes to Standalone Financial Statements for the Period Ended 31st March 2023

Note No 42: Ratios

S.N.	Ratios	31-Mar-23	31-Mar-22
1	Current ratio (Current Assets/Current Liabilities) Variance	1.02 -45%	1.87
	During the current year, Provision for Rs 1,425.63 lacs has been provided against Loans and advances. Thereby, the current ratio has reduced from 1.87 to 1.02.		
2	Debt-equity ratio (Gross total borrowings/Equity share capital + Other equity) Variance	-1.67 -53%	-3.58
	The Reduction in Net worth is due to Provision made for loans and advances durig the current year. Thereby, the debt-equity ratio is increased to -1.67 from -3.58.		
3	Debt service coverage ratio (Profit before tax, exceptional items, Depreciation and Net Finance Charges/Net Finance charges + Long term borrowings scheduled principal repayments) Variance	-0.97 -96%	-22.20
	The Debt service coverage ratio has increased to -0.97 from -22.20 during the current financial year.		
4	Return on equity ratio (Net profit after tax/Average Shareholders equity) Variance	66% 90%	682%
	The Reduction in Shareholder's equity is due to Provision for loans and advances provided during the current year. Thereby, return on equity ratio is reduced from 682% to 66%.		
5	Inventory turnover ratio (Cost of goods sold/Average inventory) Variance	0.53 781%	0.06
	The Inventory turnover ratio has increased to 0.53 from 0.06 due to the reduction in inventory by way of sale made during the current year.		
6	Trade Receivables turnover ratio (Net sales/Average Trade receivables) Variance	36.98 -78%	170.17
	Trade Receivables turnover ratio has decreased due to the collections outstanding for the sales made in the current financial year.		
7	Trade payables turnover ratio (Net purchases/Average Trade payables) Variance	-	-
8	Net capital turnover ratio (Net sales/Working capital) Variance	1908% 6055%	31%
	Net capital turnover ratio has increased due to the increase in sales and reduction in working capital during the current financial year.		
9	Net profit ratio (Net profit/Sales) Variance	-146% 63%	-391%
	The sales during the current year is substantially higher as compared with the previous year. Hence, the net loss ratio has decreased from -391% to -146%.		
10	Return on Capital employed (Profit before Interest and exceptional items and Tax/Capital employed) Variance	-658% 426%	-125%
	The return on capital employed has decreased due to losses and provision for loans and advances.		

Notes to Accounts

43. Film production-in-progress amounting to Rs. 2,949.92 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.

44. PVP Capital Limited ('PVPCL') has applied for One Time Settlement to the bank and the same was agreed by the bank vide letter dated March 15, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs and the balance of Rs 8,600 lakhs has been remitted by it's ultimate holding company PVP Ventures Limited.

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.

45. As on 31st March 2023, the company has a negative net worth of Rs. 4,033.45 Lakhs. Even though, the company is incurring continuous losses, it has succeeded in better EBITA Margins. This is entirely aligned with the Company's long-range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate, and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, during the course of a period, the company 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.

46. **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.

47. **Leases**

a) Effective 01st April 2019, the company had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on 01st April 2019 using the modified retrospective approach.

b) **Details of the Right to use of Asset held by the company as follows:**

Particulars	**Building (Rs. in Lakhs)**
Balance as at 1st April, 2021	**50.62**
Addition	1.07
Deletion	-
Depreciation	23.85
Balance as at 31st March, 2022	**27.84**
Addition	-
Deletion	0.34
Depreciation	23.36
Balance as at 31st March, 2023	**4.14**

c) Movement in Lease liability

Particulars	**Building (Rs. in Lakhs)**
Balance as at 1st April, 2021	**53.06**
Addition	1.07
Finance Cost Accrued	5.14
Payment of Lease Liability	29.00
Balance as at 31st March, 2022	**30.27**
Addition	-
Finance Cost Accrued	2.25
Payment of Lease Liability	23.43
Balance as at 31st March, 2023	**4.59**

Particulars	**As at 31-03-2023**	**As at 31-03-2022**
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	4.59	27.93
Later than one year and not more than five years	-	4.66
More than five years	-	-
Total undiscounted liabilities	**4.59**	**32.59**

d) Breakup of Current and Non-current lease liabilities

Particulars	**Amount (Rs. in lakhs)**
Non-Current Liability	-
Current Liability	4.59

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

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

g) The company has accounted Rs. 2.25 Lakhs as Finance Cost and Rs. 23.36 Lakhs as depreciation as per Ind AS 116.

h) Non cash financing and investing activities

(Rs. In lakhs)

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Non cash financing and investing activities - Acquisition of Right-of-use Asset	-	1.07

48. 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.

49. Contingent Liabilities:

(Rs. in lakhs)

Particulars	**As at 31st March, 2023**	**As at 31st March, 2022**
Claims against the company not acknowledged as debts		
- Service Tax	1,893.40	1,893.40
Total	**1,893.40**	**1,893.40**

50. Corporate Social Responsibility (CSR):

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

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

51. Earnings per Share

Particulars	**Refer**	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Profit / (loss) after Tax (Rs. in Lakhs)	A	(2,009.49)	(3,149.63)
Number of Equity shares outstanding (Numbers)	B	5,22,50,000	5,22,50,000
Weighted average number of equity shares outstanding (Numbers)	C	5,22,50,000	5,22,50,000
Earnings per share – Basic & Diluted (in Rs.)	A/C	(3.83)	(6.03)

52. 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**
Platex Limited	Ultimate Holding Company
PVP Ventures Limited, Chennai (PVP)	Holding Company
PVP Cinema Private Limited, Chennai (PCPL)	Wholly Owned Subsidiary Companies
PVP Capital Limited, Chennai (PCL)	

b) List of other related parties

Name of the person/ company	**Nature of Relationship**
Mr. Prasad V. Potluri, Managing Director	Key Managerial Persons
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from 31.07.2020)	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key managerial person
PV Potluri Ventures LLP, Vijayawada	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Vijayawada	A Private Company in which a director's relative is a member or director
Dakshin Realties 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 2023

(Rs. in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Interest Expenses		
BVR Malls Private Limited, Vijayawada	-	41.83
Provision for Doubtful advances debited to P&L		
PVP Cinema Private Limited, Chennai	1.18	0.21
Sitting Fees paid to Directors		
Mr. N S Kumar	1.59	1.30
Mrs. P J Bhavani	1.18	0.65
Mr. Sohrab K Chinoy	1.30	1.30
Mr. Nanda Kumar S	1.24	0.90
Loans and advances repaid/(received)		
PVP Cinema Private Limited, Chennai	1.18	0.21
BVR Malls Private Limited, Vijayawada	(450.37)	(545.18)
Dakshin Realties Private Limited, Hyderabad	98.17	1,279.24
PVP Capital Limited, Chennai	(28.25)	(317.66)

d) Summary of Outstanding balances with the related parties as on 31st March 2023

(Rs. in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Investments in subsidiaries		
PVP Capital Limited, Chennai	2,521.74	2,521.74
PVP Cinema Private Limited, Chennai	3.00	3.00
Provision for investment in subsidiary		
PVP Cinema Private Limited, Chennai	3.00	3.00
Loans and advances granted to subsidiary		
PVP Cinema Private Limited, Chennai	501.76	500.58
Provision for advances granted to subsidiary		
PVP Cinema Private Limited, Chennai	501.76	500.58
Loans and advances payable to Others		
BVR Malls Private Limited, Vijayawada	239.43	689.80
Dakshin Realties Private Limited, Hyderabad	6,496.45	6,594.61
Other payables to subsidiary		
PVP Capital Limited, Chennai	2,121.04	2,092.79
Sitting fees payable		
Mr. N S Kumar	-	0.50
Mrs. P J Bhavani	-	0.82
Mr. Sohrab K Chinoy	-	0.50
Mr. Nanda Kumar S	-	0.41

e) List of Related Parties as per Companies Act, 2013 **(Rs. in lakhs)**

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

f) Remuneration paid to Key Management Personnel **(Rs in lakhs)**

Transaction	Year Ended 31st March 2023	Year Ended 31st March 2022
Mr. A Praveen Kumar, Chief Financial Officer	24.00	18.59
Ms. Derrin Ann George, Company Secretary	4.18	-
Mr. Saiteja Ivaturi, Company Secretary	-	2.40

53. Deferred Tax

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

(Rs. in Lakhs)

Particulars	31st March, 2023		31st March, 2022	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	6,400.95	1,600.24	4,956.46	12.72
Tax losses	3,897.40	974.35	2,417.79	628.62
Effect of expenses not allowed for tax in the previous year	0.40	0.10	102.64	26.69
Total	**10,298.75**	**2,574.69**	**7,476.89**	**1,943.99**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2023.

b) Income tax expenses

Income tax expense in the statement of profit and loss comprises: **(Rs. in Lakhs)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax	-	0.20
Deferred tax	-	-
Income tax for earlier years	8.89	-
Income tax expenses	8.89	0.20
Profit /(loss) from the operation before income tax expenditure	(1,991.60)	(3,149.43)
Indian tax rate	25.00%	26.00%
Tax at statutory Income Tax Rate	(497.90)	(818.85)
Adjustments:		
Effect of expenses not allowed for tax purposes	0.10	26.69
Effect of unrecognised deferred tax assets	497.80	791.97
Others - Tax for earlier years	(8.89)	-
Net tax expenses recognised in Statement of Profit and Loss	8.89	0.20

54. Employee Benefits

a) Defined Benefit Plan

Gratuity **(Rs. in lakhs)**

Gratuity Plan:	**For the year ended 31st March 2023**	**For the year ended 31st March 2022**
Defined benefit obligation (DBO)	(7.74)	(6.41)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/(liability)	**(7.74)**	**(6.41)**

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, 2023

(Rs. in Lakhs)

Particulars	**Financial Year 2022-23**	**Financial Year 2021-22**
Current Service Cost	0.71	0.57
Net Interest Cost	0.45	0.88
Total	**1.16**	**1.45**

Amount recognized in Other Comprehensive Income for the year ended 31st March 2023

(Rs. in Lakhs)

Particulars	**Financial Year 2022-23**	**Financial Year 2021-22**
Actuarial (gain)/ loss on obligations	0.17	(7.86)

Changes in the present value of the defined benefit obligation for the year ended 31st March 2023 are as follows:

(Rs. in Lakhs)

Particulars	**Financial Year 2022-23**	**Financial Year 2021-22**
Opening defined obligation	**6.41**	**12.82**
Current service cost	0.71	0.57
Interest cost on the Defined Benefit Obligation	0.45	0.88
Actuarial (gain)/ loss – experience		-
Actuarial (gain)/ loss - Financial assumptions	0.17	(7.86)
Actuarial (gain)/ loss - demographic assumptions	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
Defined benefit obligation	**7.74**	**6.41**

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

Particulars	**31st March, 2023**	**31st March, 2022**
Discount rate (in %)	7.39%	7.14%
Salary Escalation (in %)	7.50%	7.50%

Sensitivity Analysis

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

(Rs. in lakhs)

Particulars	**31st March, 2023**		**31st March, 2022**	
Defined Benefit Obligation (Base)	**7.74**		**6.41**	
(% change compared to base due to sensitivity)	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	8.38	7.17	6.96	5.92
Salary Growth Rate (- / + 1%)	4.84	7.25	5.55	7.39
Attrition Rate (- / + 1%)	6.79	8.58	6.10	6.75
Mortality Rate (- / + 1%)	7.73	7.75	6.40	6.42

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

(Rs. in Lakhs)

Particulars	**31st March 2023**	**31st March 2022**
Within the next 12 months (next annual reporting period)	-	0.62

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. Nil (Previous Year Rs Nil) for provident fund contribution in the statement of profit or loss account.

55. 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 2023 were as follows:

(Rs. in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets:		
Amortised Cost		
- Bank balances other than cash and cash equivalents	5.18	3.92
- Trade Receivables	73.02	0.95
- Loans	-	1,123.20
- Other Financial Assets	11.23	520.66
Financial liabilities:		
Amortised Cost		
- Borrowings	6,735.88	7,284.41
- Trade Payables	14.89	49.16
- Lease Liabilities	4.59	30.27
- Other Financial Liabilities	2,121.04	2,092.79

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.

56. 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. 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, 2023, outstanding receivables amounting to Rs. 73.02 Lakhs (previous year – Rs. 0.95 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:

(Rs. in lakhs)

Particulars	**On demand**	**< 1 year**	**1-5 years**	**Total**
As at 31st March 2023				
Borrowings	-	-	6,735.88	6,735.88
Trade payables	-	14.89	-	14.89
Lease liabilities	-	4.59	-	4.59
Other Financial Liabilities	2,121.04	-	-	2,121.04
Total	**2,121.04**	**19.48**	**6,735.88**	**8,876.40**

(Rs. in lakhs)

Particulars	On demand	< 1 Year	1-5 years	Total
As at 31st March 2022				
Borrowings	-	-	7,284.41	7,284.41
Trade payables	-	36.06	13.10	49.16
Lease liablities	-	12.46	17.81	30.27
Other Financial Liabilities	2,092.79	-	-	2,092.79
Total	**2,092.79**	**48.52**	**7,315.32**	**9,456.63**

57. Capital Management

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

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

(Rs. in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Borrowings	6,735.88	7,284.41
Cash and Cash Equivalents	-	-
Bank Balances other than Cash and Cash Equivalents	(5.18)	(3.92)
Net Debt	**6,730.70**	**7,280.49**
Equity Share Capital	5,225.00	5,225.00
Other Equity	(9,258.45)	(7,257.96)
Total Equity	**(4,033.45)**	**(2,032.96)**
Debt Equity Ratio	**(1.67)**	**(3.58)**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

58. 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.

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

60. Previous year figures:

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

61. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

Disaggregated revenue information

A Type of goods and service (Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
(a) Revenue from distribution and exhibition of film and other rights	1,367.69	805.53
Total Operating Revenue	**1,367.69**	**805.53**
In India	1,367.69	805.53
Outside India	-	-

B Timing of revenue recognition

(Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**		**For the year ended 31st March, 2022**	
	At a point of time	**Over a period of time**	**At a point of time**	**Over a period of time**
Sale of products and other operating income	1,367.69	Nil	805.53	Nil

C Contract balances (Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Contract assets	Nil	Nil
Contract liabilities	Nil	Nil

D Revenue recognised in relation to contract liabilities

(Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
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 (Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Revenue at contracted prices	Nil	Nil
Revenue from contract with customers	Nil	Nil
Difference	Nil	Nil

F Unsatisfied or partially satisfied performance obligation (Rs in lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg. No. 0013151S

For and on behalf of the Board of Directors

D Purandhar
Partner
Membership No. 221759
Place: Chennai

PRASAD V. POTLURI
Managing Director
(DIN : 00179175)
Place: Hyderabad
Date: May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Place: Chennai
Date: May 23, 2023

A Praveen Kumar
Chief Financial Officer

Derrin Ann George
Company Secretary
ACS M. No: A67004

Place: Chennai
Date: May 23, 2023

Place: Chennai
Date: May 23, 2023

Place: Chennai
Date: May 23, 2023

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, 2023 (Including comparatives) are duly adopted by the Board of Directors in the meeting held on May 23, 2023 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 ROU 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.

ROU 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. ROU 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 owner ship 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 less provision for diminution, wherever required.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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

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

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

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

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

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

  Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.
- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

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 2023, 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, 2023, of consolidated Profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended 31st March, 2023

Basis for Qualified Opinion

1. *Attention is invited to note no.46 to the Consolidated Financial Statements, films production expenses amounting to Rs. 2,949.92 Lakhs, consists of advances granted to artists and co-producers. As represented by the Management the film production is under progress with respect to production of 3 movies costing Rs. 70.09 lakhs. In respect of the balance inventory of Rs 2879.83 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2873.83 lakhs, we are unable to agree with the views of the Board . We are of the opinion that realization of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.*
2. *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, 2023 have drawn qualified opinion.*
   a) *The Company is pursuing the realization of dues to the Company and created provisions for unrealizable amounts. Apart from this the Company is not carrying any main business activity.*
   b) *The Company has not filled the appointment of Chief Financial officer from resignation of previous Officer as per section 203 of the company"s act 2013. Default of the mandatory requirement will result the penalties to the company and Directors.*
   c) *The Company`s inability to meets its financial requirements, non-payment of statutory dues, absence of visual cash flows, the pending legal outcomes and liquidity constraints which doubts the ability of the company*

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.

Material Uncertainty relating to Going Concern

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

a) Note No.49 in the financial statements which indicates that the Companies the net worth has completely eroded (negative net worth of Rs. 7,130.71 lakhs) 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. Our opinion is not modified in respect of this matter.

b) 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, 2023 have drawn Material Uncertainty relating to Going Concern.

Which indicates as per Note 47 The Company has not maintaining the minimum net owned fund of Rs. 2 crores as per registration and regulation policy of RBI which leads the non compliance and may cancel the registration as NBFC . Along with other points discussed in basis for qualified opinion, indicates the existence of material uncertainty that may cast the significant doubt about the company"s ability to continue as going concern. However in view of the management revised plans and other factors described, the management is of the view that the going concern basis for accounting is appropriate.

.**Emphasis of Matters**

1. *attention is invited to note no. 47 the Consolidated Financial Statements – The ultimate parent company i.e. PVP Ventures a Limited, Chennai has settled with the lender of PVP Capital Limited, Chennai (PVPCL) a sum of Rs 8600 lakhs being principal guarantor. This has resulted in write back of principal and outstanding interest aggregating to Rs 23,197.54 lakhs (exceptional in nature) in the books of PVPCL.*

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.56 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 involves significant judgement to determine the possible outcome of these disputes.	We have gone through the management's assumptions to determine the possible outcome of these disputes. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

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

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

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

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

Other Matters

We did not audit the financial statements of two Wholly Owned subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 2,473.89 lakhs as at 31st March, 2023, total revenue (including other income) of Rs. 200 Lakhs, total profit after tax of Rs. 22,545.54 Lakhs (Exceptional Items Rs.23,197.54 Lakhs), total comprehensive loss (net of tax) of Rs. 22,545.54 Lakhs for the year ended 31st March, 2023 and Rs. 0.08 lakhs (Rs. 8,498/-) net cash inflow of for the year ended 31st March, 2023, as considered in the consolidated financial statements. The financial statements and other financial information of these subsidiaries have been audited by the other auditor whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, we report to the extent applicable that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
   b. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
   d. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
   f. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 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, 2023 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: 56 to the consolidation financial statements.
  ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.
  iv. a) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in notes to account (refer note no.34), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

  b) The Management of the Holding Company and the subsidiaries (incorporated in India) have represented that, to the best of its knowledge and belief, other than as disclosed in the note no.35 to consolidated financial statements, no funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

  c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided under sub-clause (a) and (b) above, contain any material misstatement.

  v. The Group has not declared dividend during the year. Hence reporting with regard to compliance under section 129 of the Act does not arise.

2. With respect to the matters specified in paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, we furnish the details of companies and paragraph numbers of the CARO report containing the qualification or adverse remarks

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

For R P S V & Co.,
Chartered Accountants
Firm's Registration Number: 0013151S

D Purandhar
Partner
Membership no.: 221759
ICAI UDIN: 23221759BGWAJL8003

Place: Chennai
Dated: May 23, 2023

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

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 2023, 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. 49 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.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS TO THE MEMBERS OF PICTUREHOUSE MEDIA LIMITED, CHENNAI FOR THE YEAR ENDED MARCH 31, 2023

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting with reference to the consolidated financial statements as at 31st March, 2023:

The company's internal financial control with regard to assessment of inventory as more fully explained in note no. 46 and The Subsidiary company's internal financial control with regard to assessment of loans and advances as more fully explained in note no.48 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".

Attention is also invited to Basis for Qualified opinion in the main report.

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

In our opinion, *except for the possible effects of the material weakness described above* on the achievement of the objectives of the control criteria, the company has, maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as 31st March, 2023, 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 R P S V & Co.,
Chartered Accountants
Firm's Registration Number: 0013151S

D Purandhar
Partner
Membership no.: 221759
ICAI UDIN: 23221759BGWAJL8003

Place: Chennai
Dated: May 23, 2023

PICTUREHOUSE MEDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2023

(Rs. In lakhs)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I	**ASSETS**			
(1)	**Non Current Assets**			
	(a) Property, Plant and Equipment	4a	116.76	119.99
	(b) Right of use assets	4b	4.14	27.84
	(c) Financial Assets			
	(i) Investments		-	-
	(ii) Other financial assets	5	11.23	10.72
	(d) Other non current assets	6	87.49	93.10
	Total Non Current Assets		**219.62**	**251.65**
(2)	**Current assets**			
	(a) Inventories	7	2,949.92	3,861.90
	(b) Financial Assets			
	(i) Trade receivables	8	203.02	144.95
	(ii) Cash and cash equivalents	9	5.59	4.26
	(iii) Bank balance other than (ii) above	10	-	900.00
	(iv) Loans	11	118.69	1,814.79
	(v) Other financial assets	12	-	509.94
	(c) Current tax asset (net)	13	13.42	55.15
	(d) Other current assets	14	15.12	63.82
	Total Current Assets		**3,305.76**	**7,354.81**
	Total Assets		**3,525.38**	**7,606.46**
II	**EQUITY AND LIABILITIES**			
A	**EQUITY**			
	(a) Equity Share Capital	15	5,225.00	5,225.00
	(b) Other Equity		(12,355.71)	(32,859.75)
	Total Equity		**(7,130.71)**	**(27,634.75)**
B	**LIABILITIES**			
(1)	**Non Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	6,735.88	7,284.41
	(ia) Lease liabilities	17	-	17.81
	(b) Provisions	18	7.36	6.41
	Total Non Current Liabilities		**6,743.24**	**7,308.63**
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	19	1,807.00	11,807.00
	(ia) Lease liabilities	20	4.59	12.46
	(ii) Trade payables			
	Total Outstanding dues to Micro Enterprises and Small Enterprises		-	6.94
	Total Outstanding dues to creditors other than Micro Enterprises and Small Enterprises	21	20.65	51.69
	(iii) Other financial liabilities	22	0.99	13,858.30
	(b) Other current liabilities	23	888.96	1,047.44
	(c) Provisions	24	1,190.67	1,148.75
	Total Current Liabilities		**3,912.85**	**27,932.58**
	Total Equity and Liabilities		**3,525.38**	**7,606.46**

Summary of Significant Accounting Policies 1-3

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

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

For and on behalf of the Board of Directors

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

D Purandhar
Partner
Membership No. 221759

A Praveen Kumar
Chief Financial Officer
Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

Place : Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2023

(Rs. In lakhs)

	Particulars	Note No.	For the period ended 31st March, 2023	For the period ended 31st March, 2022
I.	Revenue from operations	25	1,567.69	1,605.53
II.	Other income	26	11.41	9.63
III.	**Total Income (I + II)**		**1,579.09**	**1,615.16**
IV.	**Expenses:**			
	a. Cost of film production expenses	27	1,999.63	1,060.00
	b. Employee benefits expense	28	52.86	42.45
	c. Finance costs	29	246.54	3,992.33
	d. Depreciation and amortization expense	4a	27.21	29.97
	e. Other expenses	30	97.40	159.45
	f. Impairment on Financial Instruments	31	372.90	-
	Total expenses		**2,796.54**	**5,284.20**
V.	**Profit/(Loss) before exceptional items and tax (III - IV)**		**(1,217.45)**	**(3,669.04)**
VI.	Exceptional items	32	21,771.91	3,420.08
VII.	**Profit/(Loss) before tax (V - VI)**		**20,554.47**	**(7,089.12)**
VIII.	**Tax Expenses**			
	(1) Current tax		41.00	0.20
	(2) Deferred Tax (Asset) / Liability		-	-
	(3) Income tax for earlier years		9.42	-
	Total Tax Expenses		**50.42**	**0.20**
IX.	**Profit/(Loss) for the year (VII - VIII)**		**20,504.05**	**(7,089.32)**
X.	**Other Comprehensive Income, net of tax**			
	Items that will not be reclassified subsequently to profit and loss			
	Remeasurement of defined benefit obligation		(0.17)	7.86
	Less: Income tax relating to items that will not be reclassified to profit or loss		-	-
			(0.17)	**7.86**
	Items that will be reclassified subsequently to profit and loss		-	-
	Other Comprehensive income, net of tax (X)		**(0.17)**	**7.86**
XI.	**Total Comprehensive income for the year (IX + X)**		**20,503.88**	**(7,081.46)**
XII.	**Total Comprehensive Income for the year attributable to:**			
	Non Controlling Interest		-	-
	Owners of the Parent		**20,503.88**	**(7,081.46)**
XIII.	**Earnings per equity share of nominal value Rs. 10 each :**			
	(1) Basic and diluted (not annualised)		**39.24**	**(13.57)**

Summary of Significant Accounting Policies 1-3

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

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

For and on behalf of the Board of Directors

D Purandhar
Partner
Membership No. 221759

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

Place : Chennai
Date : May 23, 2023

A Praveen Kumar
Chief Financial Officer
Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED, CHENNAI

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2023 (Rs. in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax		**20,554.47**	**(7,089.12)**
Adjustments for:			
Exceptional items		(21,771.91)	3,420.08
Depreciation and Amortization		27.21	29.97
(Profit) / Loss on Sale of PPE, Intangible Assets and Investment Property (Net)		(0.09)	0.08
Gain on sale of mutual funds		-	-
Fair Value of investments through Profit and Loss		-	(0.11)
Excess provision written back		-	-
Payable written up		(6.89)	(1.79)
Provision for expenses no longer required - written up		-	-
Unwinding of Interest income on rental deposits		(0.60)	(0.49)
Interest on Staff advance		-	(2.37)
Sundry creditors written up		-	(4.42)
Assets written off		0.29	2.67
Provision for Doubtful Advances and Debtors		372.90	-
Inventory Writtenoff		-	-
Contingent provision on sub-standard assets		-	-
Provision for Employee Benefits		(1.34)	(1.45)
Interest Income		3.82	-
Interest Expenses		242.89	3,891.16
CSR adjusted against Retained earnings		-	-
Provision for Doubtful Advances and Debtors (Exceptional item)			-
Cash Generated Before Working Capital Changes		**(579.26)**	**244.21**
Movement in Working Capital			
Increase / (Decrease) in Trade Payables		(45.91)	18.33
Increase / (Decrease) in Other Financial Liabilities		275.87	63.20
Increase / (Decrease) in Other Liabilities		129.92	134.44
(Increase) / Decrease in Trade Receivables		(58.07)	(136.43)
(Increase) / Decrease in Loans		172.11	22.50
(Increase) / Decrease in Inventories		911.97	(174.16)
(Increase) / Decrease in Other Financial Assets		899.49	10.59
(Increase) / Decrease in Other Assets		48.70	50.95
(Increase) / Decrease in Other Bank Balance			(900.00)
Increase/(Decrease) in Long Term Provisions		-	10.80
Increase/(Decrease) in Short Term Provisions		(0.45)	1.44
Cash Generated From Operations		**1,754.36**	**(654.13)**
Direct Taxes Refund		-	-
Direct Taxes Paid		38.45	(55.35)
Interest Expenses paid of financing activities		-	-
Net Cash Flow From / (Used in) Operating Activities	(A)	**1,792.81**	**(709.48)**
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of PPE, Intangible Assets and Investment Property		207.51	-
Repayment/(Advances) made for Film Finance		-	109.96
Proceeds from Sale of PPE, Intangible Assets and Investment Property		-	-
Investments/advance in Subsidiaries		-	-
Proceeds from sale of mutual funds		-	5.14
Interest Income Received		-	-
Net Cash Flow From / (Used in) Investing Activities	(B)	**207.51**	**115.10**
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from/(to) Short - Term Borrowings (Net)		-	500.31
Payment of lease liabilities (Inclusing interest thereon)		(22.20)	(21.82)
Proceeds from Long Term Borrowings		-	-
Repayment of Long Term Borrowings		(10,548.53)	-
Receipt of Loan advanced		8,572.93	104.05
Proceeds from Equity component of Holding Company		(1.18)	
Interest Paid		-	-
Net Cash Flow From / (Used in) Financing Activities	(C)	**(1,998.98)**	**582.54**
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	1.34	(11.84)
Cash and Cash Equivalents at the beginning of the year		4.26	16.10
Cash and Cash Equivalents at the end of the year		**5.59**	**4.26**
Components of Cash and Cash Equivalents			
Cash in Hand		0.00	0.00
Balances with Banks			
-In Current Accounts		5.59	4.26
Cash and cash Equivalent		**5.59**	**4.26**

For R P S V & Co.,
Chartered Accountants
Firm Reg No. 0013151S

For and on behalf of the Board of Directors

Prasad V. Potluri
Managing Director
(DIN: 00179175)
Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)
Chennai
Date : May 23, 2023

D Purandhar
Partner
Membership No. 221759

A Praveen Kumar
Chief Financial Officer
Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Chennai
Date : May 23, 2023

Place : Chennai
Date : May 23, 2023

PICTUREHOUSE MEDIA LIMITED

Consolidated Statement of Changes in Equity for the year Ended 31st March 2023

(Rs. in lakhs)

A. Equity Share Capital

(1) Year ended 31st March 2023

Balance at the beginning of 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the 31st March 2023
5,225.00	-	-	-	5,225.00

(2) Year ended 31st March 2022

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

B.Other Equity

(1) Year ended 31st March 2023

	Reserves & Surplus							
Particulars	Capital Reserve	Security Premium Reserve	General Reserve	Statutory reserve	Retained Earnings		Other Items of Other Comprehensive Income	Total
					Profit/(Loss) in the statement of Profit or Loss	Defined benefit plan	Remeasurements of net defined benefit Liability/Asset	
Balance at the beginning of 1st April 2022	**22.88**	**182.50**	**0.86**	**511.23**	**(33,622.55)**	**45.33**	-	**(32,859.75)**
Profit for the year, net of income tax	-	-		-	20,504.05	-	-	20,504.05
Other comprehensive income for the year	-	-	-	-	-	-	(0.17)	(0.17)
Transfer to retained earnings	-	-		-	-	-	0.17	0.17
Balance at the end of 31st March 2023	**22.88**	**182.50**	**0.86**	**511.23**	**(13,118.50)**	**45.33**	-	**(12,355.71)**

(2) Year ended 31st March 2022

	Reserves & Surplus							
Particulars	Capital Reserve	Security Premium Reserve	General Reserve	Statutory reserve	Retained Earnings		Other Items of Other Comprehensive Income	Total
					Profit/(Loss) in the statement of Profit or Loss	Defined benefit plan	Remeasurements of net defined benefit Liability/Asset	
Balance at the beginning of 1st April 2021	**22.88**	**182.50**	**0.86**	**511.23**	**(26,533.23)**	**37.47**	-	**(25,778.23)**
Total Comprehensive Income for the current year	-	-	-	-	(7,089.32)	-	-	(7,089.32)
Profit for the year, net of income tax	-	-	-	-	-	-	7.86	7.86
Other comprehensive income for the year	-	-	-	-		7.86	(7.86)	-
Balance at the end of 31st March 2022	**22.88**	**182.50**	**0.86**	**511.23**	**(33,622.55)**	**45.33**	-	**(32,859.75)**

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 flucutation 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 R P S V & Co.,
Chartered Accountants
Firm Reg No. 001315IS

For and on behalf of the Board of Directors

D Purandhar
Partner
Membership No. 221759

Prasad V. Potluri
Managing Director
(DIN: 00179175)

Hyderabad
Date : May 23, 2023

N S Kumar
Director
(DIN: 00552519)

Chennai
Date : May 23, 2023

A Praveen Kumar
Chief Financial Officer

Hyderabad
Date : May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004

Chennai
Date : May 23, 2023

Place : Chennai
Date : May 23, 2023

Note No 4 : Property, Plant and Equipment

(Rs in Lakhs)

Particulars	Land	Building	Plant and Machinery	Computers and Related Assets	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross Block								
Gross Carrying value as on 1st April, 2021	69.23	35.98	1.22	17.19	18.35	36.58	62.95	241.50
Additions	-	-	-	-	-	-	-	-
Deletions	-	-	-	5.37	4.10	9.17	12.09	30.73
Gross Carrying value as on 31st March, 2022	69.23	35.98	1.22	11.82	14.25	27.41	50.86	210.77
Additions	-	-	-	0.43	-	-	-	0.43
Deletions	-	-	-	0.53	-	-	0.01	0.54
Gross Carrying value as on 31st March, 2023	69.23	35.98	1.22	11.71	14.25	27.41	50.85	210.66
Accumulated Depreciation								
Accumulated Depreciation as on 1st April, 2021	-	0.84	1.14	14.74	14.32	22.72	58.28	112.04
For the period 2021-22								
Depreciation	-	0.58	-	0.11	1.74	3.61	0.08	6.12
Accumulated depreciation on deletions	-	-	-	4.42	3.40	8.46	11.10	27.38
Accumulated Depreciation as on 31st March, 2022	-	1.42	1.14	10.43	12.66	17.87	47.26	90.78
For the period 2022-23								
Depreciation	-	0.57	-	0.12	0.64	2.02	-	3.36
Accumulated depreciation on deletions	-	-	-	0.24	-	-	0.01	0.25
Accumulated Depreciation as on 31st March, 2023	-	1.99	1.14	10.31	13.30	19.89	47.25	93.90
Net Block								
Carrying Value as on 31st March, 2022	69.23	34.56	0.08	1.39	1.59	9.54	3.60	119.99
Carrying Value as on 31st March, 2023	69.23	33.99	0.08	1.41	0.95	7.52	3.60	116.76

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

Note No 4b : Right of use assets

(Rs. In Lakhs)

Particulars	Right to Use Building	Total
Gross Block		
Gross Carrying value as on 1st April, 2021	**84.76**	**84.76**
Additions	1.07	1.07
Disposals	-	-
Gross Carrying value as on 31st March, 2022	**85.83**	**85.83**
Additions	-	-
Disposals	0.34	0.34
Gross Carrying value as on 31st March, 2023	**85.49**	**85.49**
Accumulated Depreciation		-
Accumulated Depreciation as on 1st April, 2021	**34.14**	**34.14**
For the year		-
Depreciation	23.85	23.85
Depreciation on disposals	-	-
Accumulated Depreciation as on 31st March, 2022	**57.99**	**57.99**
For the year		-
Depreciation for the period	23.36	23.36
Depreciation on disposals	-	-
Accumulated Depreciation as on 31st March, 2023	**81.35**	**81.35**
Net carrying amount		-
As at 31st March, 2022	**27.84**	**27.84**
As at 31st March, 2023	**4.14**	**4.14**

During the year, as well as in the preceeding financial year, Right-of-use asset(s) has not been revalued.

PICTUREHOUSE MEDIA LIMITED

Notes to Consolidated Financial Statements for the Year Ended 31st March 2023

(Rs in Lakhs)

Note No	Particulars	As at 31st March 2023	As at 31st March 2022
5	**Other financial assets**		
	Non Current		
	Security Deposits - Considered Good	11.23	10.72
		11.23	**10.72**
6	**Other Assets**		
	Non Current		
	Tax Deducted at Source(TDS) Receivable	-	5.61
	Taxes Paid Under protest	87.49	87.49
		87.49	**93.10**
7	**Inventories**		
	Film Production Expenses (refer note no.47)	2,949.92	3,861.90
	(Valued at lower of cost or net realisable value - as certified by management)		
		2,949.92	**3,861.90**
8	**Trade Receivables**		
	Current		
	Unsecured - Considered Good	203.02	144.95
	Credit Impaired	565.30	565.30
	Less: Allowance for doubtful debts (Expected credit loss allowance)	(565.30)	(565.30)
		203.02	**144.95**
9	**Cash and Cash Equivalents**		
	Balance with banks		
	In Current Accounts	5.59	4.26
	Cash on hand	0.00	0.00
		5.59	
10	**Bank balance other than mentioned above**		
	Earmarked balances - other than bank balances mentioned above	-	900.00
		-	**900.00**
11	**Loans**		
	Current		
	Secured - Considered Good		
	Advances for Film Finance* (refer note no.46)	16,634.49	17,041.99
	Less: Impaired Loss Allowance	(16,515.80)	(15,227.20)
	Unsecured - Considered Good		
	Advances for Staff	-	-
	Unsecured - Considered Doubtful		
	Advances for Others	62.09	62.09
	Less: Provision for doubtful advances	(62.09)	(62.09)
		118.69	**1,814.79**
12	**Other Financial Assets - Current**		
	Interest Accrued on Staff loans	-	-
	Interest Accrued on Movie Finance	1,324.37	1,324.37
	Less: Allowance for interest accrued	(1,324.37)	(814.43)
		-	**509.94**
13	**Current Tax Asset**		
	Tax Deducted at Source Receivable (Net of tax provision)	13.42	55.15
		13.42	**55.15**
14	**Other Current Assets**		
	Goods and Service Tax (GST) Input tax Credit	14.49	63.55
	Prepaid Expenses	0.33	0.27
	Others	0.30	-
		15.12	**63.82**

Trade payables ageing :

(a) Trade payables ageing - As on 31st March 2023

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	-	-	-	-
ii. Others	-	13.82	1.23	3.85	1.75	**20.65**
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	-	**13.82**	**1.23**	**3.85**	**1.75**	**20.65**

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

Particulars	Not due	Outstanding for following periods from the due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	-	-	6.94	-	-	**6.94**
ii. Others	-	38.07	8.39	5.23	-	**51.69**
iii. Disputed dues-MSME	-	-	-	-	-	-
iv. Disputed dues-Others	-	-	-	-	-	-
Total	-	**38.07**	**15.33**	**5.23**	-	**58.63**

Trade receivables ageing :

(a) Trade receivables ageing - As on 31st March 2023

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	203.02	-	-	-	-	203.02
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	**203.02**	-	-	-	-	203.02

(b) Trade receivables ageing - As on 31st March 2022

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	144.95	-	-	-	-	144.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	-	**144.95**	-	-	-	-	144.95

Note No.15: Equity Share Capital

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

(Rs. in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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 2022 - 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, 2023		As at 31st March 2022	
	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 previous financial year viz. 2020-21, the subsidiary company repaid the loan amount under one time settlement scheme. The remaining shares (viz. 9,68,480 nos.) of the company held by PVP Ventures Limited is yet to be transferred, pending receipt of documents from the lender bank.

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

Particulars	As at 31st March, 2023		As at 31st March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of equity shares outstanding at the beginning of the year	52,250,000	5,225.00	52,250,000	5,225.00
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**	**5,225.00**	**52,250,000**	**5,225.00**

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

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

(f) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2023).

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

(h) Shares held by promoters at the end of the year: 31st March 2023

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1.PVP Ventures Limited, Chennai	2,353,114	4.50%	-
2.Jhansi Sureddi, Hyderabad	11,757,249	22.50%	-
3.PVP Global Ventures Private Limited, Chennai	11,236,641	21.51%	-
4.PVP Media Ventures Private Limited, Chennai	12,299,650	23.54%	-

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

Promoter Name	No. of shares	Percentage of total shares	Percentage of change during the year
1.PVP Ventures Limited, Chennai	2,353,114	4.50%	-
2.Jhansi Sureddi, Hyderabad	11,757,249	22.50%	-
3.PVP Global Ventures Private Limited, Chennai	11,236,641	21.51%	-
4.PVP Media Ventures Private Limited, Chennai	12,299,650	23.54%	-

PICTUREHOUSE MEDIA LIMITED

Notes to Consolidated Financial Statements for the Year Ended 31st March 2023

(Rs.in Lakhs)

Note No	Particulars	As at 31st March 2023	As at 31st March 2022
16	**Financial Liabilities**		
	Borrowings		
	Non Current		
	UnSecured		
	From Related parties (refer note no 59(c))	6,735.88	7,284.41
	Others	-	
		6,735.88	**7,284.41**
17	**Lease liabilities - Non Current**		
	Lease Liability (refer note no.54)	-	17.81
		-	**17.81**
18	**Provisions**		
	Non Current		
	Provision For Employee Benefits - Gratuity	7.36	6.41
		7.36	**6.41**
19	**Financial Liabilities**		
	Borrowings - Current		
	Secured		
	From Bank (refer note no.48)	-	10,000.00
	From Others	1,807.00	1,807.00
		1,807.00	**11,807.00**
20	**Lease liabilities - Current**		
	Lease Liability (refer note no.54)	4.59	12.46
		4.59	**12.46**
21	**Trade Payables**		
	Current		
	Sundry Creditors for services (refer note no.55)	20.65	58.63
		20.65	**58.63**
22	**Other Financial Liabilities**		
	Current		
	Interest Accrued and due on borrowings	-	13,856.86
	Employee related payables	0.99	1.44
		0.99	**13,858.30**
23	**Other Liabilities (Current)**		
	Statutory Dues Payable	881.36	1,039.84
	Penalty to stock exchange	7.60	7.60
		888.96	**1,047.44**
24	**Provisions (Current)**		
	Employee benefits - Gratuity	0.56	0.17
	Standard assets	61.38	61.38
	Income tax (net of Advance tax and Tax deducted at source)	1,128.73	1,087.20
		1,190.67	**1,148.75**

PICTUREHOUSE MEDIA LIMITED

Notes to Consolidated Financial Statements for the Year Ended 31st March 2023 (Rs. in Lakhs)

Note No	Particulars	For the period ended 31st March, 2023	For the year ended 31st March, 2022
25	**Revenue from Operations**		
	Revenue from distribution and exhibition of film and other rights	1,367.69	805.53
	Other Operating Income		
	Income from Movie finance	200.00	800.00
		1,567.69	**1,605.53**
26	**Other Income**		
	Interest Income on Income Tax Refund	3.31	0.45
	Payable written up	6.89	4.42
	Profit on Sale of Asset	0.09	-
	Interest on Advances to Staff	-	2.37
	Excess provision written back	-	1.79
	Gain on sale of mutual funds	0.51	0.11
	Miscellaneous Income	0.60	0.49
		11.41	**9.63**
27	**Cost of Film Production Expenses**		
	Opening Film Production Expenses	3,861.90	4,955.64
	Less: Inventory Written off during the year	-	(1,267.90)
	Sub-total	**3,861.90**	**3,687.74**
	Add: Current year Film Production Expenses	1,087.66	1,234.16
	Sub-total	**4,949.55**	**4,921.90**
	Less: Closing balance	2,949.92	3,861.90
		1,999.63	**1,060.00**
28	**Employee Benefit Expenses**		
	Salaries and wages	50.44	40.77
	Gratuity (refer note no 18 and 24)	1.17	1.45
	Contribution to provident fund	-	-
	Staff welfare expenes	1.25	0.23
		52.86	**42.45**
29	**Finance Cost**		
	Interest on		
	- Borrowings	240.66	3,886.02
	- Lease liability	2.25	5.14
	- Others	3.63	101.17
		246.54	**3,992.33**
30	**Other Expenses**		
	Rent	-	-
	Insurance	0.63	0.55
	Power and Fuel	3.80	5.24
	Printing and Stationery	0.01	0.46
	Communication Expenses	0.73	0.68
	Repairs and Maintenance		
	- Vehicles	-	-
	- Others	3.60	3.40
	Corporate Social Responsibility expenses	-	69.00
	Rates and taxes	15.53	2.08
	Payments to auditors		
	for statutory audit	9.38	9.00
	for reimbursement of expenditure	-	-
	for reimbursement of expenditure	-	-
	for certification charges	-	-
	Directors Sitting Fees	5.31	4.15
	Legal, Professional and consultancy	26.60	11.73
	ROC Fees	0.14	0.19
	Membership Fee	0.19	0.09
	Office Maintenance	5.12	3.15
	Advertisement, publicity and sales promotion	12.63	38.29
	Bank Charges	0.06	0.30
	Investor related expenses including Listing Fees	7.05	6.03
	Travel Expenses including Conveyance	5.91	1.39
	Loss on Sale of Asset	-	0.08
	Provision for BSE - Penalty	0.11	0.51
	Miscellaneous expenses*	0.33	0.46
	Assets written off	0.29	2.67
		97.40	**159.45**
31	Contingent provision on sub- standard assets	372.90	-
		372.90	**-**
32	**Exceptional Items**		
	Interest Provsion written back	14,097.54	-
	Principal Loan waived off by Bank	500.00	-
	Reduction in Liabilty due to invokation of Bank guarantee of the Holding Company	8,600.00	-
	Provision for Doubtful Advances and Debts	(1,425.63)	2,152.18
	Inventory Written Off	-	1,267.90
		21,771.91	**3,420.08**

33 No proceedings have been inititated or pending against The Group for holding Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made there under.

34 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

35 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

36 The Group has not operated in any crypto currency or Virtual Currency transaction.

37 There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

38 During the year The Group has not disclosed or surrendered, any income other than the income recoginsed in the books of accounts in the tax assessments under Income Tax Act, 1961.

39 The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

40 No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

41 The Group has not availed loan from bank or financial institution on the basis of security of current assets.

42 The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

43 Charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period - Nil.

PICTUREHOUSE MEDIA LIMITED, CHENNAI

Notes to Consolidated Financial Statements for the Period Ended 31st March 2023

Note No 44: Ratios

S.N.	Ratios	31-Mar-23	31-Mar-22
1	Current ratio	0.84	0.26
	(Current Assets/Current Liabilities)		
	Variance	225%	
	Current ratio has increased from 0.26 to 0.84 in the Current year due to reduction in Current borrowings on account of the loan settled under One Time Settlement (OTS) scheme.		
2	Debt-equity ratio	(1.20)	(0.69)
	(Gross total borrowings/Equity share capital + Other equity)		
	Variance	74%	
	Debt-equity ratio has decreased from (0.69) to (1.20) in the Current year due to reduction in Current borrowings on account of the loan settled under One Time Settlement (OTS) scheme.		
3	Debt service coverage ratio	(0.43)	0.09
	(Profit before tax, exceptional items, Depreciation and Net Finance Charges/Net Finance charges + Long term borrowings scheduled principal repayments)		
	Variance	-575%	
	The Debt service coverage ratio has decreased to (0.43) from 0.09 during the current financial year.		
4	Return on equity ratio	-91%	24%
	(Net profit after tax/Average Shareholders equity)		
	Variance	478%	
	The Reduction in Shareholder's equity is due to Provision for loans and advances provided during the current year. Thereby, return on equity ratio is reduced from 24% to (91)%.		
5	Inventory turnover ratio	0.59	0.24
	(Cost of goods sold/Average inventory)		
	Variance	145%	
	The Inventory turnover ratio has increased to 0.59 from 0.24 due to the reduction in inventory by way of sale made during the current year.		
6	Trade Receivables turnover ratio	9.01	20.92
	(Net sales/Average Trade receivables)		
	Variance	-57%	
	Trade Receivables turnover ratio has decreased due to the collections outstanding for the sales made in the current financial year.		
7	Trade payables turnover ratio	-	-
	(Net purchases/Average Trade payables)		
	Variance		
8	Net capital turnover ratio	-258%	-0.08%
	(Net sales/Working capital)		
	Variance	322686%	
	The change in Net capital turnover ratio is due to the exceptional gain on account of OTS scheme.		
9	Net profit ratio	1311%	-4.42%
	(Net profit/Sales)		
	Variance	29764%	
	Net profit ratio has increased due to the exceptional gain on account of OTS scheme.		
10	Return on Capital employed	-200%	-2%
	(Profit before Interest and Tax/Capital employed)		
	Variance	9885%	
	The return on capital employed has decreased due to one time gain on account of OTS scheme.		

Notes to Accounts

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

46. Film production – in – progress (inventory) amounting to Rs. 2,949.92 lakhs, consists of advances granted to artists and co-producers. As represented by the Management the film production is under progress with respect to production of 2 movies costing Rs 70.09 lakhs. In respect of the balance inventory of Rs 2,879.83 lakhs the Board is confident of recovering the amount from the production houses. 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.

47. PVPCL has applied for One Time Settlement to the bank and the same was agreed by the bank vide letter dated March 15, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs and the balance of Rs 8,600 lakhs has been remitted by it's ultimate holding company PVP Ventures Limited.

Further, the subsidiary 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.

48. PVP Capital Limited has a book debt of Rs. 14,381.04 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. 14,262.35 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.

49. As on 31st March 2023 the Group has a negative net worth of Rs 7,130.71 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. 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.

50. The group has accounted Rs. 2.25 Lakhs as Finance cost (Previous year: 5.14 lakhs) and Rs. 23.36 Lakhs (Previous year: 23.85 lakhs) as Depreciation as per the Ind AS 116, "Leases".

51. Corporate Social Responsibility (CSR)

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

Average Net Profits of the Company for the last three financial years is negative. Hence the provisions of Section 135 of the Act are not applicable for the year ended 31st March 2023.

52. 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-of-Use of Asset held by the company as follows:

Particulars	Building (Rs. in Lakhs)
Balance as at 1st April, 2021	**50.62**
Addition	1.07
Deletion	-
Depreciation	(23.85)
Balance as at 31st March, 2022	**27.84**
Addition	-
Deletion	0.34
Depreciation	(23.36)
Balance as at 31st March, 2023	**4.14**

c) Movement in Lease liability

Particulars	Building (Rs. in Lakhs)
Balance as at 1st April, 2021	**53.06**
Addition	1.07
Finance Cost Accrued	5.14
Payment of Lease Liability	(29.00)
Balance as at 31st March, 2022	**30.27**
Addition	-
Finance Cost Accrued	2.25
Payment of Lease Liability	(23.43)
Balance as at 31st March, 2023	**4.59**

Particulars	As at 31-03-2022	As at 31-03-2021
Maturity analysis - contractual undiscounted cash flows		
Not later than one year	4.59	27.93
Later than one year and not more than five years	-	4.66
More than five years	-	-
Total undiscounted liabilities	**4.59**	**32.59**

d) Breakup of Current and Non-Current lease liabilities

Particulars	Building (Rs. in lakhs)
Non-Current Liability (note no.17)	-
Current Liability (note no. 20)	4.59

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

(Rs. In lakhs)

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

53. 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.

54. Contingent Liabilities: **(Rs. in lakhs)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Claims against the company not acknowledged as debts		
- Service Tax	1,893.40	1,893.40
- Income Tax	135.98	135.98
Total	**2,029.38**	**2,029.38**

55. Earnings per Share

Particulars	Refer	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profit / (loss) after Tax (Rs. in Lakhs)	A	20,504.05	(7,089.32)
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	39.24	(13.57)

56. 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
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director	
Mr. Challa Siva Prasad Naga, Independent Director	
Mr. R Nagarajan, Independent Director	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative of Key Managerial Persons
PV Potluri Ventures LLP, Hyderabad	Enterprises where KMP exercise significant influence
BVR Malls Private Limited, Hyderabad	A private company in which a director's relative is a member or director.
Dakshin Realties Private Limited	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 2023

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sitting Fees paid to Directors		
Mr. N S Kumar	1.59	1.30
Mrs. P J Bhavani	1.18	0.65
Mr. Sohrab K Chinoy	1.30	1.30
Mr. Nanda Kumars S	1.24	0.90
Interest Expenses		
BVR Malls Private Limited, Hyderabad	-	41.83
Loans and advances repaid/(received)		
BVR Malls Private Limited, Hyderabad	(450.37)	(545.18)
Dakshin Realties Pvt Limited, Hyderabad	98.17	1,279.24

c) Summary of Outstanding balances with the related parties as on 31st March, 2023

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Loans and Advances payable to Others		
BVR Malls Private Limited, Hyderabad	239.43	689.80
Dakshin Realties Pvt Limited, Hyderabad	6,496.45	6,594.61
Sitting fees payable		
Mr. N S Kumar	-	0.50
Mrs. P J Bhavani	-	0.82
Mr. Sohrab K Chinoy	-	0.50
Mr. Nanda Kumar S	-	0.41

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
Ms. Derrin Ann George, Company Secretary	
Mr. C S N Prasad,	
Mr. Ajay Babu Chigurupati	

e) Remuneration paid to Key Management Personnel **Rs in lakhs**

Transaction	Year Ending 31st March 2023	Year Ending 31st March 2022
Mr. A Praveen Kumar, Chief Financial Officer	24.00	18.59
Ms. Derrin Ann George, Company Secretary	4.18	-
Mr. Saiteja Ivaturi, Company Secretary	-	2.40
Mr. CSN Prasad, Chief Financial Officer (PVP Capital)	-	5.89

57. Deferred Tax

Deferred Tax asset has not been recognised in respect of the following items:

(Rs. in Lakhs)

Particulars	31st March, 2023		31st March, 2022	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	20,032.62	5,208.48	32,267.48	8,389.54
Tax losses	4,399.33	1,143.83	3,816.72	992.35
Effect of expenses not allowed for tax purpose in the previous year	373.30	97.06	162.64	42.29
Total	**24,805.24**	**6,449.36**	**36,246.84**	**9,424.18**

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31st March 2023.

60. Income tax expenses

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

(Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Current tax	41.00	0.20
Deferred tax	-	-
Income tax for earlier years	9.42	-
Income tax expenses	50.42	0.20

(Rs. In lakhs)

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
Net Profit/(loss) from the operation before income tax expenditure	20,554.47	(7089.12)
Applicable Income tax rate	25.00%	26.00%
Tax at statutory Income Tax Rate	5,138.62	(1,843.17)
Effect of expenses not allowed for tax purposes	97.06	42.29
Effect of unrecognised deferred tax	(5,176.23)	1,800.68
Income tax related to earlier years	(9.42)	-
Income tax Expenses charged to statement of Profit or Loss	50.42	0.20

61. Employee Benefits

a) Defined Benefit Plan – Gratuity

(Rs. in Lakhs)

Gratuity Plan:	**31st March 2023**	**31st March 2022**
Defined benefit obligation (DBO)	(7.74)	(6.59)
Fair value of plan assets (FVA)	-	-
Net defined benefit asset/ (liability)	**(7.74)**	**(6.59)**

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

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

Particulars	**2022-23**	**2021-22**
Current Service Cost	0.71	0.57
Net Interest Cost	0.45	0.88
Total	**1.16**	**1.45**

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

Particulars	2022-23	2021-22
Actuarial (gain)/ loss on obligations	0.17	(7.86)

Changes in the present value of the defined benefit obligation for the year ended 31st March 2023 are as follows:

Particulars	2022-23	2021-22
Opening defined obligation	**6.59**	**13.00**
Current service cost	0.71	0.57
Interest cost on the Defined Benefit Obligation	0.45	0.88
Actuarial (gain)/ loss – experience		-
Actuarial (gain)/ loss - Financial assumptions	0.17	(7.86)
Actuarial (gain)/ loss - demographic assumptions		-
Benefits paid		-
Others	(0.18)	-
Defined benefit obligation	**7.74**	**6.59**

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

Particulars	31st March, 2023	31st March, 2022
Discount rate (in %)	7.39%	6.80%
Salary Escalation (in %)	7.50%	7.50%

Sensitivity Analysis

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

Rs. in Lakhs)

Particulars	31st March, 2023		31st March, 2022	
Defined Benefit Obligation (Base)	**7.74**		**6.41**	
(% change compared to base due to sensitivity)	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1%)	8.38	7.17	6.96	5.92
Salary Growth Rate (- / + 1%)	4.84	7.25	5.55	7.39
Attrition Rate (- / + 1%)	6.79	8.58	6.10	6.75
Mortality Rate (- / + 1%)	7.73	7.75	6.40	6.42

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

Particulars	31st March 2023	31st March 2022
Within the next 12 months (next annual reporting period) - (Rs. in lakhs)	-	0.62

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 Nil (Previous Year Rs. Nil Lakhs) for provident fund contribution in the statement of profit or loss account.

62. 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 Notes to Accounts.

Financial Assets and Liabilities

The carrying value and fair value of financial instruments by categories as at 31st March 2023 were as follows:

(Rs. in lakhs)

Particulars	**Amount as on 31st March, 2023**	**Amount as on 31st March, 2022**
Financial assets:		
Fair through Profit or Loss		
- Investments in Mutual Funds	-	-
Amortised Cost		
- Bank balances other than cash and cash equivalents	5.59	4.26
- Trade Receivables	203.02	144.95
- Loans	118.69	1,814.79
- Other Financial Assets	11.23	520.66
Financial liabilities:		
Amortised Cost		
- Borrowings	8,542.87	19,091.41
- Trade Payables	20.65	58.63
- Other Financial Liabilities	0.99	13,858.30
- Lease liabilities	4.59	30.27

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

63. 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, 2023	31st March, 2022
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.

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 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 2022-23	Financial Year 2021-22
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	14,381.04	14,581.04
Impaired (more than 3 months)	(14,262.35)	(13,889.46)
Total Gross carrying value as at reporting date	**118.69**	**691.58**

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. 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 2023, outstanding receivables amounting to Rs. 203.02 lakhs (previous year – Rs. 144.95 lakhs).

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

iii) Liquidity risk

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

The table below provides details regarding the contractual maturities of Financial Liabilities:

(Rs. In lakhs)

Particulars	**On demand**	**< 1 year**	**1-5 years**	**More than 5 years**	**Total**
As at 31st March 2023					
Borrowings	1,807.00	-	6,735.88	-	8,542.88
Trade payables	-	13.82	6.83	-	20.65
Interest accrued	-	-	-	-	-
Other Financial Liabilities	-	4.59	-	-	4.59
Total	**1,807.00**	**18.41**	**6,742.71**	**-**	**8,568.12**

Particulars	**On demand**	**< 1 Year**	**1-5 years**	**More than 5 years**	**Total**
As at 31st March 2022					
Borrowings	1,807.00	10,000.00	7,284.41	-	19,091.41
Trade payables	-	38.07	20.56	-	58.63
Interest accrued	-	13,856.86	-	-	13,856.86
Other Financial Liabilities	-	30.27	-	-	30.27
Total	**1,807.00**	**23,925.20**	**7,304.97**	**-**	**33,037.17**

64. Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

(Rs. 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	14,381.04	14,262.35	118.69	6,152.42	8,109.93
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		14,381.04	14,262.35	118.69	6,152.42	8,109.93
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		14,381.04	14,262.35	118.69	6,152.42	8,109.93
Total	**Stage 1**	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	14,381.04	14,262.35	118.69	6,152.42	8,109.93
	Total	**14,381.04**	**14,262.35**	**118.69**	**6,152.42**	**8,109.93**

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classifications and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard assets provisioning), as at 31st March, 2023 and accordingly, no amount is required to be transferred to impairment reserve.

65. Capital Management

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

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

(Rs. in Lakhs)

Particulars	**As at 31st March 2023**	**As at 31st March 2022**
Borrowings	8,542.87	19,091.41
Cash and Cash Equivalents	(0.00)	(0.00)
Bank Balances other than Cash and Cash Equivalents	(5.59)	(4.26)
Net Debt	**8,537.28**	**19,087.15**
Equity Share Capital	5,225.00	5,225.00
Other Equity	(12,355.71)	(32,859.75)
Total Equity	**(7,130.71)**	**(27,634.75)**
Debt Equity Ratio	**(1.20)**	**(0.69)**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2023 and 31st March 2022.

66. Financial information pursuant to Schedule III of Companies Act, 2013:

(Rs. 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 2023		**Year ended 31st March 2023**		**Year ended 31st March 2023**		**Year ended 31st March 2023**	
	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	87.51%	(4,033.46)	(9.76%)	(2,000.49)	100.00%	(0.17)	(9.76%)	(2,000.66)
Indian Subsidiaries								
PVP Capital Limited	12.07%	(556.20)	109.76%	22,504.54	-	-	109.76%	22,504.54
PVP Cinema Private Limited	0.42%	(19.31)	(0.01%)	(1.18)	-	-	(0.01%)	(1.18)
Less: Inter-company elimination	-	(2,521.74)	-	1.18	-	-	-	1.18
Total	**100%**	**(7,130.71)**	**100%**	**20,504.05**	**100%**	**(0.17)**	**100%**	**20,503.88**

67. The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (as per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments .

68. Estimated amounts of contracts remaining to be executed on capital account and not provided for Nil. (Last year – Nil)

69. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115
Disaggregated revenue information

A Type of goods and service **(Rs in lakhs)**

Particulars	**For the year ended 31st March, 2023**	**For the year ended 31st March, 2022**
(a) Revenue from distribution and exhibition of film and other rights	1,367.69	805.53
(b) Income from Movie finance	200.00	800.00
Total Operating Revenue	**1,567.69**	**1,605.53**
In India	1,567.69	1,605.53
Outside India	-	-

B Timing of revenue recognition **(Rs in lakhs)**

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	1,567.69	Nil	1,605.53	Nil

C Contract balances **(Rs in lakhs)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contract assets	Nil	Nil
Contract liabilities	Nil	Nil

D Revenue recognised in relation to contract liabilities **(Rs in lakhs)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
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
(Rs in lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue at contracted prices	1,567.69	1,605.53
Revenue from contract with customers	1,567.69	1,605.53
Difference	Nil	Nil

F Unsatisfied or partially satisfied performance obligation **(Rs in lakhs)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.

For R P S V & Co.,
Chartered Accountants
Firm Reg. No. 0013151S

For and on behalf of the Board of Directors

D Purandhar
Partner
Membership No. 221759
Place: Chennai

PRASAD V. POTLURI
Managing Director
(DIN : 00179175)
Place: Hyderabad
Date: May 23, 2023

N S Kumar
irector
(DIN: 00552519)
Place: Chennai
Date: May 23, 2023

Place: Chennai
Date: May 23, 2023

A Praveen Kumar
Chief Financial Officer
Place: Hyderabad
Date: May 23, 2023

Derrin Ann George
Company Secretary
ACS M. No: A67004
Place: Chennai
Date: May 23, 2023

1. Corporate Information

Picturehouse Media Limited ("the Parent Company") is a Listed Company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The Parent Company has two subsidiaries. The main activities of the Parent Company along with its Wholly Owned subsidiaries are of Movie Production and Movie Financing related activities. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

The Consolidated Financial Statements of the Group for the year ended 31st March 2023 including comparatives are duly adopted by the Board of Directors in the meeting held on May 22, 2023 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, Chennai (PCPL)	India	100% (Wholly Owned Subsidiary)
PVP Capital Limited, Chennai (PCL)	India	100% (Wholly Owned Subsidiary)

iv) During the Financial Year 2018-19, UCO Bank Ltd invoked 10 lakhs pledged shares of Picturehouse Media Limited held by PVP Ventures Limited. Consequently, the total investment of 51.46% in Picturehouse Media Limited held by PVP Ventures Limited along with its subsidiaries has reduced to 49.55%.

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.

g) Financial Instruments

1) Initial Recognition

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

2) Subsequent Measurement

i) Financial assets carried at amortised cost

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

ii) Financial assets at fair value through other comprehensive income

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

iii) Financial Assets at fair value through profit or loss

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

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) Standards/Amendments Issued but not yet Effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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.