

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 on Consolidated Financial Statement

S.No	Particulars	Audited Figures in lakhs (as reported before adjusting for qualifications)	Adjusted Figures in lakhs (audited figures after adjusting for qualifications)
1.	Turnover/Total Income	17,608.06	17,608.06
2.	Total Expenditure	5,748.51	5,748.51
3.	Net Profit/(Loss)	23,777.72	23,777.72
4.	Earnings per share (in Rs.)	9.75	9.75
5.	Total Assets	33,867.95	33,867.95
6.	Total Liabilities	23,051.02	23,051.02
7.	Net Worth	10,816.93	10,816.93
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

S.No	1
Details of Audit Qualification	We draw attention to Note no. 4 of the Statement, which explains that the Company is in the process of assessing its compliances under the Foreign Exchange Management Act, 1999 and in the process of filing the required documents/condonation applications as may be required with the designated authority in connection with certain transactions with foreign parties relating to issuance/transfer/change of terms of convertible debentures. As stated in the said note, the Management is confident of completing all the required formalities and obtaining the required approval/ratification from the designated authority and there would be no material impact on the Consolidated financial results. However pending completion of the formalities and the receipt of required approvals from the designated authority, we are unable to comment on the impact arising out of the same on the Consolidated financial results for the quarter and year ended 31 March 2023 including the consequential effects thereof
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	The Company is in the process of assessing its compliances under the Foreign Exchange Management Act, 1999 (FEMA) and in the process of filing the required documents/condonation applications as may be required with the designated authority in connection with certain transactions with foreign parties relating to issuance/transfer/change of terms of convertible debentures. The Company will complete all the required

	formalities / obtaining the required approval/ratification from the designated authority and if required, shall apply for necessary compounding under applicable provisions of RBI FEMA Regulations. Hence, the extent of penalties / fine imposable are not ascertainable in the present scenario.
Auditors Comments	No further comments
S.No	2
Details of Audit Qualification	We draw attention to Note no. 5 of the Statement, which explains that the Company is in the process of assessing its compliances under the Companies' Act, 2013 and the Listing Regulations including the exceptions/qualifications highlighted by the secretarial auditor in their report for the year ended 31 March 2022. The Company is in the process of filing the required documents / condonation /compounding / adjudication of penalty applications as may be required with the designated authority. As stated in the said note, the Management is confident of completing all the required formalities and obtaining the required approval/ratification from the designated authority and there would be no material impact on the Consolidated financial results. However pending completion of the formalities and the receipt of required approvals from the designated authority, we are unable to comment on the impact arising out of the same on the Consolidated financial results for the quarter and year ended 31 March 2023 including the consequential effects thereof
Type of Qualification	Qualified Opinion
Frequency of Qualification	First Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	The Company is in the process of assessing its compliances under the Companies' Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") including the exceptions / qualifications highlighted by the secretarial auditor in their report for the year ended 31 March 2022. The Company is in the process of filing the required documents / condonation /compounding / adjudication of penalty applications as may be required with the designated authority. Hence, the extent of penalties / fine imposable are not ascertainable in the present scenario.
Auditors Comments	No further comments
S.No	3
Details of Audit Qualification	We draw attention to Note no. 6 to the Statement, in relation to inventory of Picturehouse Media Limited ("PHML") i.e., films production expenses grouped under 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 of the Subsidiary 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, the Component Auditors are unable to agree with the views of the Board of Directors of PHML and hence are of the opinion that realization of inventories is doubtful. Accordingly, we are unable to comment on the impact arising out of the same on the Consolidated financial results for the quarter and year ended 31 March 2023 including the consequential effects thereof.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fifth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA
If management is unable to estimate the impact, reasons for the same	The Film under production expenses grouped as Inventory mainly comprising of payments to artists and co-producers the Company is evaluating options for optimal utilization of these payments in productions and release of films. The Management of the subsidiary is not able to estimate the recoverability at this stage and hence unable to estimate the impact on results.
Auditors Comments	No further comments
S.No	4
Details of Audit Qualification	We draw attention to Note no. 7 of the Statement which describes the Investment in wholly owned subsidiary viz. PVP Capital Limited (PVPCL) by PHML. PVPCL's net worth stands at Rs. 515.20 lakhs (negative) as at 31 March 2023. PVPCL has also defaulted in statutory dues that are not remitted to the Government. The regulatory authority i.e. Reserve Bank of India ("RBI") may cancel the registration to carry the principal business activity as a Non-Banking Finance Company due to non-maintenance of minimum net owned fund of Rs. 200 lakhs as stated in the said note to the Consolidated financial results. PVPCL's inability to meets its financial liabilities, non-payment of statutory dues and in absence of visual cash flows, cast a doubt on the ability of PVPCL to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, the Component Auditors are unable to express their view whether it is appropriate to treat PVPCL as a going concern. Accordingly, We are unable to comment on the impact arising out of the same on the Consolidated financial results for the quarter and year ended 31 March 2023 including the consequential effects thereof.
Type of Qualification	Qualified Opinion
Frequency of Qualification	Fifth Time
For Audit Qualification(s) where impact is quantified by the Auditor, Management Views	NA

If management is unable to estimate the impact, reasons for the same	Management is evaluating the action plans to realize the loans given by the Company and settlement of dues with the existing vendors. The management of the subsidiary is in the process of assessing its RBI compliance w.r.t net owned funds. Hence managements is of the view of that the financial statements shall continue to be prepared on the a going concern basis. Hence the Company is unable to estimate the impact on consolidated results.
Auditors Comments	No further comments

Prasad V. Potluri
Chairman & Managing Director

R Sabesan
Chief Financial Officer

N S Kumar
Audit Committee Chairman

For PSDY & Associates
Chartered Accountants
Firm's Registration Number: 010625S

Yashvant G
Partner
Membership no. 209865

Date : May 23, 2023
Place : Chennai