

Unaudited Financial Results for the Quarter ended June 30, 2021
CIN:L92191TN2000PLC044077

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2021		Rs. In lakhs			
PARTICULARS	STANDALONE				
	Quarter ended			Year ended	
	30.06.2021 Unaudited	31.03.2021 Unaudited	30.06.2020 Unaudited	31.03.2021 Audited	
1 Income					
Revenue from operations		-	5.00	1.43	
Other Income	0.83	133.66	3.34	137.36	
Total Income (1)	0.83	133.66	8.34	138.79	
2 Expenses					
(a) Cost of film production expenses	-	3.03	-	3.03	
(b) Purchases of Stock-in-Trade	-	-	-	-	
(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	
(d) Employee benefit expenses	7.22	9.82	9.75	31.54	
(e) Finance Cost	1.54	(557.78)	214.13	97.05	
(f) Depreciation and amortization expenses	7.49	6.70	8.54	33.05	
(g) Others expenses	8.66	11.20	15.46	59.38	
Total Expenses (2)	24.91	(527.03)	247.88	224.05	
3 Profit/(Loss) before exceptional items and tax (1-2)	(24.08)	660.69	(239.54)	(85.26)	
4 Exceptional items	-	-	-	-	
5 Profit before tax (3-4)	(24.08)	660.69	(239.54)	(85.26)	
6 Tax expense					
a) Current Tax	-	-	-	-	
b) Deferred Tax	-	-	-	-	
c) Income tax for earlier years	-	-	-	-	
7 Net Profit for the period/year (5-6)	(24.08)	660.69	(239.54)	(85.26)	
8 Other Comprehensive Income					
a) (i) Items that will not be reclassified subsequently to profit and loss					
Remeasurement of defined benefit obligation	-	1.30	-	1.30	
Less : Income tax expense	-	-	-	-	
Total Other Comprehensive Income (8)	-	1.30	-	1.30	
9 Total Comprehensive Income (7+8)	(24.08)	661.99	(239.54)	(83.96)	
10 Paid-up equity share capital (Face Value of Re. 10/- each)	5,225.00	5,225.00	5,225.00	5,225.00	
11 Other Equity				(4,116.19)	
12 Earnings per share					
(a) Basic (in Rs.)	(0.05)	1.26	(0.46)	(0.16)	
(b) Diluted (in Rs.)	(0.05)	1.26	(0.46)	(0.16)	




PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2021

NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

1. The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed under section 133 of the Companies Act, 2013.
2. The above unaudited standalone financial results for the quarter ended June 30, 2021 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on August 11, 2021. These above results have been subjected to limited review by the statutory auditors of the company.
3. Advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) is aggregating to Rs.3,895.28 lakhs. The Board is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board does not foresee any erosion in carrying value. The auditors have, however, drawn qualified conclusion in this regard.
4. Expenditure on films under production amounting to Rs. 5,039.20 lakhs mainly comprises of payments to artistes and co-producers. The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value. The auditors have, however, drawn qualified conclusion in this regard.



NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

5. PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank, consequent to which the bank as filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). The outstanding amount is Rs.20,908.85 lakhs (including interest accrued) as per the books of accounts as on June 30, 2021.

The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice.

There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. Statutory dues are also not remitted to the Government.

PVPCL has not maintained minimum net owned funds as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its registration as non-banking finance company.

However, the Board of Picturehouse Media Limited is of considered opinion that the carrying amount of investment in PVPCL viz. Rs. 2,521.74 lakhs does not require a write down considering its future cash flows and possibility of it recovering its dues from its borrowers. The auditor has, however, drawn qualified conclusion in this regard.



NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

6. As on June 30, 2021, the company has a net worth of Rs. 1084.72 lakhs. Even though, the company is incurring continuous losses, it has succeeded in reducing its operating cost. This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate as the Company has got future to improve its revenue. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, the company intends to strategically merge with its holding company which will create positive synergy in future. The standalone financial results have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors. The statutory auditors, however, have drawn qualified conclusion in this regard.

7. The reporting entity i.e. Picturehouse Media Limited, has furnished a financial guarantee of Rs. 10000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai.

The parent company of the borrower has also furnished a guarantee of Rs. 10000 lakhs and also offered a landed property whose market value is approximately Rs. 18000 lakhs. The borrowings outstanding together with interest is Rs. 20908.85 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for. The auditor has drawn emphasis of this matter.



PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2021

NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

8. The Board is of the considered view that production of movies and financing of movie production is one single operation. Hence segment reporting as required under Ind AS 108 is not applicable.
9. The validity of Lease Deed entered with the lessor at Hyderabad had expired in the financial year 2020-2021. The Board has intentions of renewing the lease on the same terms and conditions of the lease with a period of three years. Accordingly, the company has accounted Rs. 1.54 lakhs as finance cost and Rs. 5.84 lakhs as depreciation as per Ind AS 116. The lessor has orally concurred for the extension of the agreement.
10. During the quarter under report the company engaged itself in production of one number of film and the cost of which is included in inventory viz. film production – in – progress.
11. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com



The image shows a handwritten signature in blue ink, which appears to be 'R. G. S.', written over a circular blue stamp. The stamp contains the text 'Picturehouse Media Limited' around the perimeter and a small star symbol in the center.

Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review report to

The Board of Directors,

Picturehouse Media Limited, Chennai.

1. We have reviewed the accompanying statement of the unaudited standalone financial results of **Picturehouse Media Limited, Chennai** ("the company"), for the quarter ended June 30, 2021 (the statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 as amended.
2. This statement is the responsibility of the Company's Management and approved by the Board of Directors at their meeting held on August 11, 2021, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.



Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Our responsibility is to issue a report on the statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE)2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *Attention is invited to note no. 3 to the statement, in relation to loans and advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) amounting to Rs.3,895.28 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under*



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production etc. The company's Board is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any audit evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on June 30, 2021. No evidence was adduced regarding the status of production of films nor, confirmation was produced from the loan debtors. Consequently, we are unable to determine whether any adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the quarter ended June 30, 2021 is understated.

5. Attention is invited to note no. 4, to the statement, in relation to inventory i.e. films production expenses amounting to Rs. 5,039.20 lakhs, mainly consists of advances granted to artists and co-producers. As the film's production has not commenced and / or completed, the advances made continued to be carried as inventory. However, the Board states that it is evaluating options for maximum



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utilization of these payments. In the absence of tangible evidence towards commencement and completion of production of films and also in the absence of confirmation of balance from the parties, we are unable to agree with the views of the Board. We are of the opinion that realisation of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.

6. Investment in wholly owned subsidiary viz. PVP Capital Limited, Chennai (PVPCL) (note no. 5 to the statement)

The subsidiary's net worth has eroded enormously. There is no evidence of cash flow in the near future. The company has also defaulted in repayment of loans from banks and even statutory dues are not remitted to 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 and it



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is difficult to assess correctly the extent of erosion and the loss arising therefrom.

7. Attention is invited to note no. 6 to the statement, in relation to preparation of financial results on "Going Concern Basis".

Without carrying any major business activity, incurring continuous losses from operations, adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraph, the impact of outbreak of Coronavirus (COVID -19) on the business operations and other related factors indicate that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. Notwithstanding this, the financial results have been prepared as that of going concern and consequently the terminal values of various assets and liabilities have not been re-determined. We are, however, unable to express our view whether the preparation of financial results on a going concern basis is correct or not.



sm
11/08/2021

Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

8. Based on our review conducted as stated above, *except for the possible effects of the matters described in the paragraphs 4, 5 and 6 above and inadequate disclosure of "Material Uncertainty Related to Going Concern" described in the paragraph no. 7*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

9. Without qualifying our audit conclusion, attention is invited to note no. 7 to the statement - the company has furnished a financial guarantee of Rs. 10,000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai.

The ultimate company of the borrower has also furnished a guarantee of Rs. 10,000 lakhs and also offered a landed property whose market



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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

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value is approximately Rs. 18,000 lakhs. The borrowings outstanding together with interest is Rs. 20,908.85 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

10. Corresponding figures for the quarter ended June 30, 2020 included in the statement are based on review by our predecessor, who have expressed modified opinion vide their report dated September 14, 2020. We have accepted those figures and reports, by verifying relevant records of the company for the purpose of our opinion on this Statement. Our conclusion is not modified in respect of the said matter for the purpose of our review opinion on the Statement.

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



S. Venkatesubramanian
11/08/2021

Venkatesubramanian.S
Partner

Membership no.: 219238

ICAI UDIN: 21219238AAAAGA2235

Place: Chennai
Dated: August 11, 2021

Unaudited Financial Results for the Quarter ended June 30, 2021

CIN:L92191TN2000PLC044077

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2021		Rs. In lakhs			
PARTICULARS	CONSOLIDATED				
	Quarter ended			Year ended	
	30.06.2021 Unaudited	31.03.2021 Unaudited	30.06.2020 Unaudited	31.03.2021 Audited	
1 Income					
Revenue from operations	-	-	5.00	1.43	
Other Income	0.86	133.66	3.34	137.36	
Total Income (1)	0.86	133.66	8.34	138.79	
2 Expenses					
(a) Cost of film production expenses	-	3.03	-	3.03	
(b) Purchases of Stock-in-Trade	-	-	-	-	
(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	
(d) Employee benefit expenses	10.70	11.25	11.43	40.02	
(e) Finance Cost	907.93	290.82	965.91	3,305.33	
(f) Depreciation and amortization expenses	7.64	6.86	8.68	33.63	
(g) Others expenses	9.69	13.45	16.09	68.66	
(h) Provision for doubtful debts and advances	-	-	-	-	
(i) Provision against Sub-Standard assets	372.90	372.90	372.90	1,491.59	
Total Expenses (2)	1,308.86	698.31	1,375.01	4,942.26	
3 Profit/(Loss) before exceptional items and tax (1-2)	(1,308.00)	(564.65)	(1,366.67)	(4,803.47)	
4 Exceptional items	-	-	-	-	
5 Profit before tax (3-4)	(1,308.00)	(564.65)	(1,366.67)	(4,803.47)	
6 Tax expense					
a) Current Tax	-	-	-	-	
b) Deferred Tax	-	-	-	-	
c) Income tax for earlier years	-	-	-	-	
7 Net Profit for the period/year (5-6)	(1,308.00)	(564.65)	(1,366.67)	(4,803.47)	
8 Other Comprehensive Income					
a) (i) Items that will not be reclassified subsequently to profit and loss					
Remeasurement of defined benefit obligation	-	2.63	-	2.63	
Less : Income tax expense	-	-	-	-	
Total Other Comprehensive Income (8)	-	2.63	-	2.63	
9 Total Comprehensive Income (7+8)	(1,308.00)	(562.02)	(1,366.67)	(4,800.84)	
10 Paid-up equity share capital (Face Value of Re. 10/-)	5,225.00	5,225.00	5,225.00	5,225.00	
11 Other Equity				(25,778.29)	
12 Earnings per share					
(a) Basic (in Rs.)	(2.50)	(1.08)	(2.62)	(9.19)	
(b) Diluted (in Rs.)	(2.50)	(1.08)	(2.62)	(9.19)	




PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2021

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

1. Advances made by the parent company i.e. Picturehouse Media Limited, Chennai include advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) is aggregating to Rs.3,895.28 lakhs. The Board of the parent company is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board of the parent company does not foresee any erosion in carrying value. The auditors have, however, drawn qualified conclusion in this regard.

2. The current assets of the Group include Expenditure on films under production amounting to Rs. 5,039.20 lakhs mainly comprises of payments to artistes and co-producers. The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the parent company is confident of realising the entire value of 'expenditure on films under production'. The management of the parent company does not foresee any erosion in carrying value. The auditors have drawn qualified conclusion in this regard.

3. PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.20,908.85 lakhs (including interest accrued) as per the books of accounts as on June 30, 2021.

The bank has taken possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice.



PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2021

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

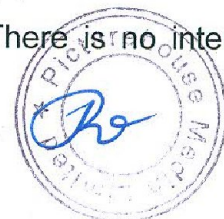
PVPCL has not maintained minimum net owned funds as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its registration as non-banking finance company.

The Board of PVPCL is of the view that the going concern is not affected.

The statutory auditors of PVPCL have, however, furnished a qualified report.

4. PVP Capital Limited (PVPCL) has made a loan of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's customers did not service the interest and loan repayment. Consequently, the company has made a cumulative provision of Rs.14,262.35 lakhs for the expected credit loss. PVPCL's Board is of the opinion that no adjustment to the carrying value is required as it is confident of recovery from the borrowers. The statutory auditors of PVPCL, however, has drawn a qualified conclusion in this regard.

5. As on June 30, 2021, the group has a negative net worth of Rs. 21,861.29 Lakhs. Even though the group is incurring continuous losses and negative net worth, the group has succeeded to a larger extent, in reducing the operating cost. This is entirely aligned with the Group's long range plan, which encompasses a continued development of the Group's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to



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NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

liquidate and the Company has got future projects to improve its Revenue. The Group has paid advance amounts to the artists and technicians for the future movies production which is displayed under Inventory. Further, the Group intends to strategically merge with its parent company which will create positive synergy in future. The consolidated financial results have been prepared on a going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors that are given effect to. The statutory auditors of the parent company, however, have drawn qualified conclusion in this regard.

6. The parent company i.e. Picturehouse Media Limited, has furnished a financial guarantee of Rs. 10000 lakhs to a Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai.

The ultimate parent company of the borrower has also furnished a guarantee of Rs. 10000 lakhs and also offered a landed property whose market value is approximately Rs. 18000 lakhs. The borrowings outstanding together with interest is Rs. 20908.85 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for. The auditors have drawn emphasis of this matter.

7. The validity of Lease Deed entered with the lessor at Hyderabad had expired in the financial year 2020-2021 for Picturehouse Media Limited, Chennai. The Board has intentions of renewing the lease on the same terms and conditions of the lease with a period of three years. Accordingly, the company has accounted Rs. 1.54 lakhs as finance



PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2021

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

cost and Rs. 5.84 lakhs as depreciation as per Ind AS 116. The lessor has orally concurred for the extension of the agreement.

8. The Board of the parent company is of the considered view that production of movies and financing of movie production and Movie Financing is one single operation. Hence segment reporting as required under Ind AS 108 is not applicable.
9. The above audited consolidated financial results for the quarter ended June 30, 2021 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on August 11, 2021. These above results have been subjected to limited review by the statutory auditors of the company.
10. The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed under section 133 of the Companies Act, 2013.
11. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com.




Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review report to

The Board of Directors,

Picturehouse Media Limited, Chennai.

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Picturehouse Media Limited, Chennai ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors at their meeting held on August 11, 2021, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant Rules thereunder and other accounting principles generally accepted in India.



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Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

4. Attention is invited to note no. 1 to the Statement, in relation to loans and advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) aggregating to Rs. 3,895.28 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management is of the view that loans and advances can be realized at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as on June 30, 2021 as the management was unable to provide us the current status of production films and confirmation of balances from the borrowers. Consequently, we were unable to determine whether any provision for irrecoverable principal and interest is needed. The irrecoverable portion of principal and interest will increase the loss which, however, at this stage is not capable of being correctly determined.



Rm
11/08/2021

Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2021 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

5. Attention is invited to note no.2 to the Statement, in relation to inventory i.e. film's production expenses amounting to Rs. 5,039.20 lakhs, mainly consist of advances given to artists and co-producers. As the management has not commenced the production of films, the advances continued to be carried as inventory. However, management represents that it is evaluating options for optimal utilization of these payments. However, the management is not in a position to let in any documentary evidence to support its view. Hence, we are of the view that the realizability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the quarter ended June 30, 2021 is understated to this extent.
6. The independent auditor of subsidiary company viz. PVP Capital Limited has drawn Qualified conclusion which has been reproduced by us as under:
- a. Note No.1 in the financial Statements which indicates that the company has not adhered to repayment schedule for principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt



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11/08/2021

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Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the bank has taken symbolic possession of immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee but there were no bidders and consequently the e-auction sale proceedings has become in fructuous. The outstanding amount is Rs.20908.85 lakhs as per books of accounts as on 30th June, 2021.

Further, the company is currently pursuing the realization of dues to the company and settlement of existing lenders, other than this the company has not been carrying any business activity, the regulatory authorities 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 said note to the financial Statements, the company's ability to



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meet its financial obligations, non payment of statutory dues and in the absence of visible cash flows, doubts are cast on its ability to continue as a going concern to achieve its future business plans. Taking into consideration, pending ultimate outcome of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it would be appropriate to treat the company as going concern. However based on the management assertions the company's financial Statements have been prepared on the basis of going concern, the impact if any, if the company was to be treated as not a going concern is not ascertainable at this stage.

- b. In relation to loans for film production amounting to Rs.15,381.04 lakhs, whose realizability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management has assessed the recoverability of the loan amount and accordingly made a provision amounting to Rs.14,262.35 lakhs as adequate, no additional provision is*

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necessary in this regard. However, Management is not able to provide us the status of production of films and recoverability of the whole amount. Accordingly, we are unable to express our view, whether any adjustments to the carrying value, if any required, is not ascertainable at this stage.

7. *The independent auditor of subsidiary company viz. PVP Cinema Private Limited has drawn Qualified conclusion which has been reproduced by us as under:*

We draw attention to the Note 1 in Condensed Interim Ind AS financial Statements, with regard to the preparation of Condensed Interim Ind AS financial Statements on going concern. No operational income for the year, dependence on the financial and administrative support from holding company and other related factors indicate that existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern.



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8. Attention is invited to Note No 5 to the Statement, in relation to preparation of consolidated financial results on "Going Concern Basis".

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

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

9. Without qualifying our audit conclusion, attention is invited to note no. 6 to the Statement – The parent company i.e. Picturehouse Media Limited, has furnished a financial guarantee of Rs. 10,000 lakhs to a



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Bank in respect of loan availed by one of its wholly owned subsidiaries viz. PVP Capital Limited, Chennai.

The ultimate parent company of the borrower has also furnished a guarantee of Rs. 10,000 lakhs and also offered a landed property whose market value is approximately Rs. 18,000 lakhs. The borrowings outstanding together with interest is Rs. 20,908.85 lakhs. As the Banker's right to proceed against the reporting entity is only residuary, probable loss in respect of the guarantee furnished is not provided for.

10. The Statement includes the results of the following entities:

A. Parent Company

Picturehouse Media Limited, Chennai

B. Wholly owned subsidiary companies

(i) PVP Capital Limited, Chennai

(ii) PVP Cinema Private Limited, Chennai

11. Based on our review conducted and procedures performed as stated in paragraph 3 above, *except for the possible effects of the matters*



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described in the paragraphs 4, 5, 6 and 7 and inadequate disclosure of "Material Uncertainty related to Going concern" described in paragraph no. 8, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

12. We did not review interim financial results of two subsidiaries included in the Statement, whose interim financial results / information reflect NIL revenue, total net loss after tax of Rs. 1,283.92 lakhs, total comprehensive loss of Rs. 1,283.92 lakhs for the quarter ended June 30, 2021 as considered in the Statement. The financial results of the two wholly owned subsidiaries have been reviewed by the other auditor, whose report has been furnished to us by the Board, and our conclusion on the Statement, in so far as it relates to the amounts and

SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

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

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disclosures included in respect of this subsidiaries, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter.

13. Corresponding figures for the quarter ended June 30, 2020 included in the Statement are based on review by our predecessor, who expressed modified opinion vide their report dated September 14, 2020. We have accepted those figures and reports, by verifying relevant records of the company for the purpose of our opinion on this Statement.

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

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



S. Venkata Subramanian
11/08/2021
Venkatasubramanian.S
Partner

Membership no.: 219238
ICAI UDIN: 21219238AAAAGB8706

Place: Chennai
Dated: August 11, 2021