

Picturehouse Media Limited
Registered Office: Door No. 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai-600031
Web: www.pvpcinema.com

Unaudited Financial Results for the Quarter ended June 30, 2022
CIN:L92191TN2000PLC044077

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2022				Rs. In lakhs
PARTICULARS	STANDALONE			
	Quarter ended			Year ended
	30.06.2022 Unaudited	31.03.2022 Unaudited	30.06.2021 Unaudited	31.03.2022 Audited
1 Income				
Revenue from operations	-	1.06	-	805.53
Other Income	0.36	(8.23)	0.83	9.63
Total Income (1)	0.36	(7.17)	0.83	815.16
2 Expenses				
(a) Cost of film production expenses	-	-	-	260.00
(b) Purchases of Stock-in-Trade	-	-	-	-
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-	-
(d) Employee benefits expense	7.80	6.59	7.22	24.94
(e) Finance Costs	20.83	109.79	1.54	137.35
(f) Depreciation and amortization expense	7.04	7.57	7.49	29.39
(g) Other expenses	14.08	14.13	8.66	92.83
Total Expenses (2)	49.75	138.08	24.91	544.51
3 Profit/(Loss) before exceptional items and tax (1-2)	(49.39)	(145.25)	(24.08)	270.65
4 Exceptional items - Gain/ (Loss)	-	(3,420.08)	-	(3,420.08)
5 Profit/(Loss) before tax (3+4)	(49.39)	(3,565.33)	(24.08)	(3,149.43)
6 Tax expense / (credit)				
a) Current Tax	-	(19.30)	-	0.20
b) Deferred Tax	-	-	-	-
c) Income tax for earlier years	-	-	-	-
Total Tax Expense/(Credit)	-	(19.30)	-	0.20
7 Net Profit/(Loss) for the period/year (5-6)	(49.39)	(3,546.03)	(24.08)	(3,149.63)
8 Other Comprehensive Income				
a) (i) Items that will not be reclassified subsequently to profit and loss				
Remeasurement of defined benefit obligation	-	7.86	-	7.86
Less : Income tax expense	-	-	-	-
Total Other Comprehensive Income (8)	-	7.86	-	7.86
9 Total Comprehensive Income/(Loss) (7+8)	(49.39)	(3,538.17)	(24.08)	(3,141.77)
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				(7,257.96)
12 Earnings per share				
(a) Basic (in Rs.)	(0.09)	(6.79)	(0.05)	(6.03)
(b) Diluted (in Rs.)	(0.09)	(6.79)	(0.05)	(6.03)

PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022

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, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2022. 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. 509.94 lakhs) is aggregating to Rs.1,588.14 lakhs. The Board is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board does not foresee any erosion in carrying value. The statutory auditors have, however, drawn qualified conclusion in this regard.
4. Expenditure on films under production amounting to Rs 3,910.73 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 statutory auditors have, however, drawn qualified conclusion in this regard.
5. PVP Capital Limited ('PVPCL'), a Wholly Owned subsidiary company (WOS) of the reporting entity had applied for One Time Settlement (OTS) to its bank and the same was agreed by the bank vide letter dated March 15, 2022. The Outstanding due amount is Rs 24,097.52 lakhs (including principal and interest) as at June 30, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs before 31st March 2022 and the balance of Rs 8,600 lakhs has to be remitted by September 14, 2022. The Ultimate Parent company namely PVP Ventures Limited, Chennai had discharged the liability of Rs 8600 lakhs on 30.06.2022 being the guarantor .

PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022

NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

PVPCL, the above mentioned WOS has not remitted the statutory dues to the Government and its net worth has eroded fully. Further it has not maintained minimum net owned funds of Rs 200 lakhs as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its registration as non-banking finance company.

However, the Board of Picturehouse Media Limited Viz. the reporting entity 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 statutory auditor has, however, drawn qualified conclusion in this regard.

6. As on June 30, 2022, the reporting entity has a negative net worth of Rs. 2,082.34 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 of loans availed from them. 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. 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 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.
8. During the quarter under report the company engaged itself in production of three number of film and the cost of which is included in inventory viz. film production – in – progress.

**PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022**

NOTES TO STANDALONE UNAUDITED FINANCIAL RESULTS

9. The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial year, which were subject to limited review by the Statutory Auditors.
10. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com

FOR PICTUREHOUSE MEDIA LIMITED

**PRASAD V. POTLURI
MANAGING DIRECTOR**

Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 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, 2022 (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 12, 2022, 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.



SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 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. 509.94 lakhs) aggregating to Rs.1,588.14 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The



Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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, 2022. No evidence was adduced regarding the status of production of films nor, confirmation was produced from the loan debtors. Consequently, we are unable to agree with Board's view and we hold the view that Rs 1588.14 lakhs is not recoverable. As this is not provided for, loss is understated to this extent.

5. Attention is invited to note no. 4 to the Statement, in relation to inventory i.e., films production expenses amounting to Rs. 3,910.73 Lakhs, consists of advances granted to artists and co-producers. As represented by the Board the film production is under progress with respect to production of 3 movies costing Rs 1,058.61 lakhs. In respect of the balance inventory of Rs 2,852.12 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the



Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

parties relating to the status of the inventory amounting to Rs 2,852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful and should have been provided for . Non provision results in understatement of loss by Rs 2,852.12 lakhs

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



Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Though the company is advancing for production of movies, it is still incurring losses from operations (negative networth Rs. 2,082.34 lakhs). Adverse key financial ratios, non-payment of statutory dues, impact of our observations made in preceding paragraphs, and other related factors indicate that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. Notwithstanding this, the financial results have been prepared as that of going concern and consequently the terminal values of various assets and liabilities have not been redetermined.

We are, however, unable to express our view whether the preparation of financial results on a going concern basis is correct or not.

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



SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on standalone unaudited financial results of Picturehouse Media Limited, Chennai for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.

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



Srinivasan K
Partner

Membership no.: 209120

ICAI UDIN: 22209120A0WZAG5766

Place: Chennai
Dated: August 12, 2022



Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2022 **Rs. In lakhs**

	PARTICULARS	CONSOLIDATED			
		Quarter ended			Year ended
		30.06.2022 Unaudited	31.03.2022 Unaudited	30.06.2021 Unaudited	31.03.2022 Audited
1	Income				
	Revenue from operations	-	801.06	-	1,605.53
	Other Income	0.36	(8.23)	0.86	9.63
	Total Income (1)	0.36	792.83	0.86	1,615.16
2	Expenses				
	(a) Cost of film production expenses	-	800.00	-	1,060.00
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefits expense	10.43	11.36	10.70	42.45
	(e) Finance Costs	261.50	1,121.99	907.93	3,992.33
	(f) Depreciation and amortization expense	7.18	7.72	7.64	29.97
	(g) Other expenses	14.58	74.67	9.69	159.45
	(h) Impairment of financial instruments	372.90	(1,118.69)	372.90	-
	Total Expenses (2)	666.59	897.05	1,308.86	5,284.20
3	Profit/(Loss) before exceptional items and tax (1-2)	(666.23)	(104.22)	(1,308.00)	(3,669.04)
4	Exceptional items - Gain/ (Loss)	23,197.54	(3,420.08)	-	(3,420.08)
5	Profit/(Loss) before tax (3+4)	22,531.31	(3,524.30)	(1,308.00)	(7,089.12)
6	Tax expense / (credit)				
	a) Current Tax	-	(19.30)	-	0.20
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	-	-	-
	Total Tax Expense/(Credit)	-	(19.30)	-	0.20
7	Net Profit/(Loss) for the period/year (5-6)	22,531.31	(3,505.00)	(1,308.00)	(7,089.32)
8	Other Comprehensive Income				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	-	7.86	-	7.86
	Less : Income tax expense				
	Total Other Comprehensive Income (8)	-	7.86	-	7.86
9	Total Comprehensive Income/(Loss) (7+8)	22,531.31	(3,497.14)	(1,308.00)	(7,081.46)
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				(32,859.75)
12	Earnings per share				
	(a) Basic (in Rs.)	43.12	(6.71)	(2.50)	(13.57)
	(b) Diluted (in Rs.)	43.12	(6.71)	(2.50)	(13.57)

PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022

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. 509.94 lakhs) is aggregating to Rs.1,588.14 lakhs. The Board of the parent company is confident of realising the value at which they are carried notwithstanding the long period of outstanding. The Board of the parent company does not foresee any erosion in carrying value. The Statutory auditors have, however, drawn qualified conclusion in this regard.
2. The current assets of the Group include Expenditure on films under production amounting to Rs. 3,910.73 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 Statutory auditors have drawn qualified conclusion in this regard.
3. PVP Capital Limited ('PVPCL'), a Wholly Owned subsidiary company (WOS) of the reporting entity had applied for One Time Settlement (OTS) to its bank and the same was agreed by the bank vide letter dated March 15, 2022. The Outstanding due amount is Rs 24,097.52 lakhs (including principal and interest) as at June 30, 2022. The lender bank has agreed for Rs 9,500 lakhs as OTS. PVP Capital Limited has remitted Rs 900 lakhs before 31st March 2022 and the balance of Rs 8,600 lakhs has to be remitted by September 14, 2022. The Ultimate Parent company namely PVP Ventures Limited, Chennai had discharged the liability of Rs 8,600 lakhs on 30.06.2022 being the guarantor .

Pursuant to this settlement PVPCL has written back Rs 23,197.54 lakhs (including principal and interest) and this is shown under exceptional items.

The tax liability on account of write back has not been provided for in the books as PVPCL will review its loan book at the end of the year and irrecoverable advances would be written off.
4. PVPCL the above mentioned WOS has not maintained minimum net owned funds of Rs 200 lakhs as per RBI Regulations. Under these circumstances, regulatory authorities are bound to cancel its

PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

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.

5. PVP Capital Limited (PVPCL) has made a loan of Rs. 14581.04 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, have drawn a qualified conclusion in this regard.
6. As on June 30, 2022, the group has a negative net worth of Rs. 5,103.44 Lakhs. Even though the group is incurring continuous losses and negative net worth, the group has succeeded to a larger extent, in reducing the operating cost. This is entirely aligned with the Group's long range plan, which encompasses a continued development of the Group's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to improve its Revenue. The Group has paid advance amounts to the artists and technicians for the future movies production which is displayed under Inventory. 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.
7. The Board of the parent company is of the considered view that production of movies and financing of movie production and Movie Financing is one single operation. Hence segment reporting as required under Ind AS 108 is not applicable.
8. The above audited consolidated financial results for the quarter ended June 30, 2022 were reviewed and recommended by the Audit Committee and approved by the Board of Directors

**PICTUREHOUSE MEDIA LIMITED, CHENNAI
QUARTER ENDED JUNE 30, 2022**

NOTES TO CONSOLIDATED UNAUDITED FINANCIAL RESULTS

at their meeting held on August 12, 2022. These above results have been subjected to limited review by the statutory auditors of the company.

9. The statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ('The Ind AS'), prescribed under section 133 of the Companies Act, 2013.
10. The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial year, which were subject to limited review by the Statutory Auditors.
11. These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com.

FOR PICTUREHOUSE MEDIA LIMITED

**PRASAD V. POTLURI
MANAGING DIRECTOR**

SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 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, 2022 ("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 12, 2022, 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.



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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. 509.94 lakhs) aggregating to Rs.1,588.14 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The company's Board is of the view that 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, 2022. No evidence was adduced regarding the status of production of films nor, confirmation was produced from the loan debtors. Consequently, we are unable to agree with Board's view and we hold the view that Rs 1588.14 lakhs is not recoverable. As this is not provided for, loss is understated to this extent.*



SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 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., films production expenses amounting to Rs. 3,910.73 Lakhs, consists of advances granted to artists and co-producers. As represented by the Board the film production is under progress with respect to production of 3 movies costing Rs 1,058.61 lakhs. In respect of the balance inventory of Rs 2,852.12 lakhs the Board is confident of recovering the amount from the production houses. In the absence of documentary evidence as well as the confirmation of balance from the parties relating to the status of the inventory amounting to Rs 2,852.12 lakhs, we are unable to agree with the views of the Board. We are of the opinion that realization of inventories is doubtful and should have been provided for . Non provision results in understatement of loss by Rs 2,852.12 lakhs



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

a. *The company has not met the net owned fund requirement of Rs 200 lakhs as prescribed by the Reserve Bank of India to carry on its principal business activity of Non Banking Finance. Further the company is yet to repay its long pending statutory dues. Taking in to consideration of the liquidity constraints , we are unable to express our view whether it would be appropriate to treat the company as Going Concern. However, based on management assertions the company's financial statements on the basis of the 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*



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs.14,581.04 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 necessary in this regard. 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 emphasis of matter which is 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



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

material uncertainty that may cast significant doubt the Company's ability to continue as a going concern.

8 *Attention is invited to Note No 6 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.



SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

9 Without qualifying our audit conclusion, attention is invited to note no. 3 to the Statement – 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. The tax liability on account of this write back has not been provided for as PVPCL will review its loan receivables at the year end and irrecoverable advances will be written off.

10The 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



Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

11 Based on our review conducted and procedures performed as stated in paragraph 3 above, *except for the possible effects of the matters described in the paragraphs 4, 5 and 6 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 profit after tax of Rs. 22,580.69 lakhs (including exceptional item of Rs 23,197.54 lakhs) , total comprehensive income of Rs. 22,580.69 lakhs (including exceptional



SUNDARAM & SRINIVASAN

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

Independent Auditor's Review Report on consolidated unaudited financial results of Picturehouse Media Limited, Chennai and its subsidiaries for the quarter ended June 30, 2022 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

item of Rs 23,197.54 lakhs) for the quarter ended June 30, 2022 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 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.

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



Srinivasan K
Partner
Membership no.: 209120
ICAI UDIN: 22209120A0WZHK3316

Place: Chennai
Dated: August 12, 2022

