Picturehouse Media Limited

August 14, 2019

The BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street Fort,
Mumbai – 400051

Dear Sir/Madam,

Sub: Outcome of the Meeting of Board of Directors held on August 14, 2019
Ref: Regulation 30 & 33 of the Listing Regulations 2015
Scrip Code: BSE –532355

With reference to the subject matter cited above, we would like to inform you that the Board of Directors of the Company at its Meeting held on Wednesday, August 14, 2019, have *inter-alia*:

1. Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2018.
2. Approved the Limited Review Report submitted by M/s. Brahmayya & Co., Statutory Auditors for the said quarter.
3. Appointment of Mrs. Sai Padma Potluri as an Additional Executive Director with immediate effect i.e from August 14, 2019.
4. Resignation of Mrs. P J Bhavani, Non – Executive Non – Independent woman Director of the Company with effect from August 14, 2019.
5. Regularization of Mr. Sohrab Chinoy as an Independent Director of the Company to hold office for the term of 5 (five) years, subject to the approval of Members in ensuing AGM.
6. Re-appointment of Mr. N.S. Kumar as an Independent Director of the Company to hold office for 5(five) years, subject to the approval of Members in ensuing AGM.
7. To convene the 20th Annual General meeting on September 27, 2019.
8. To close the Register of Members and Share transfer books from September 23, 2019 to September 27, 2019 (both days inclusive) for the purpose of Annual General Meeting.

Further, please find enclosed copy of the following-

a) Information required under Regulation 30 of the SEBI LODR, read with Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 for above stated appointments, re-appointments and regularization of Directors; and

b) Unaudited Financial Results and a copy of the Limited Review Report for the quarter ended June 30, 2019;

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited
Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571
Corp. Office: Plot No. 83 & 84 4th Floor Punnaiah Plaza Road No. 2 Banjara Hills Hyderabad - 500 034 T: +91 40 6730 9999 F: +91 40 6730 9988

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

The Board meeting commenced at 10.30 A.M. and concluded at 3:30 P.M.

The details as required under Regulation 30 of the SEBI LODR, read with Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given below:

Please treat the above as intimation pursuant to Reg 30 of the Listing Regulations 2015. Kindly take the above information on records.

Thanking you.
Yours sincerely,
for PICTUREHOUSE MEDIA LIMITED

Surabi jain
Company Secretary

PICTUREHOUSE MEDIA LIMITED

A. Approved the appointment of Mrs. Sai Padma Potluri as an Additional Director of the Company.

Reason	Appointment as an Additional Director of the Company
Date of appointment	August 14, 2019
Term of Appointment	Not Applicable
Brief profile	Over 14 years of experience in IT and Retail Industry and over 6 years of experience in development and management of retail shopping mall.
Disclosure with relation with directors	Sister of Mr. Prasad V. Potluri, Chairman & Managing Director

B. Approved the re-appointment of Mr. NS Kumar as an Independent Director of the Company

Reason	Re-appointment of Independent Director of the Company.
Date of appointment	August 14, 2019
Term of Appointment	Will be appointed for the term of 5 years subject to the approval of Members at the ensuing Annual General meeting.
Brief profile	Over 40 years of Experience in information technology and project management. He has been actively involved in multiple international assignments and managed several initiatives in project development and quality assurance.
Disclosure with relation with directors	Nil

C. Approved the regularization of Mr. Sohrab Chinoy Kersasrp as an Independent Director of the Company

Reason for Change	Appointment of Independent dire Director of the Company.
Date of appointment	March 22, 2019
Term of Appointment	Will be appointed for the term of 5 years subject to the approval of Shareholders at the ensuing Annual General meeting.
Brief profile	Mr. Sohrab Chinoy Kersasp, 65 (Sixty Five) years old is a Retired Banker and Corporate Advisor. He has Completed his graduation in Mathematics and post-graduation in Economics from Nagpur University. He has more than 24 years' experience in State Bank of India as Assistant General Manager and 6 (Six) years with IDBI Bank as Regional Head (South India) Corporate Banking. Further past 11 (Eleven) years he is functioning as Corporate Advisor.
Disclosure with relation with directors	Nil
Other information	He was appointed as an Additional Director on March 22, 2019.

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited

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, 2019

CIN:L92191TN2000PLC044077

Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2019 — Rs. In lakhs

	PARTICULARS	Standalone			
		Quarter ended			Year ended
		30.06.2019 Unaudited	31.03.2019 Unaudited	30.06.2018 Unaudited	31.03.2019 Audited
1	Income				
	Revenue from operations	201.99	168.90	151.71	627.64
	Other Income	0.08	4.93	0.78	9.74
	Total Income (1)	202.07	173.83	152.49	637.38
2	Expenses				
	(a) Cost of film production expenses	-	-	2.18	2.41
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefit expenses	13.20	15.45	14.48	57.78
	(e) Finance Cost	248.80	272.39	180.70	867.53
	(f) Depreciation and amortization expenses	9.34	5.42	6.08	22.72
	(g) Others expenses	12.31	68.09	29.66	146.03
	(h) Provision for doubtful debts and advances	0.09	21.40	587.00	608.40
	Total Expenses (2)	283.74	382.75	820.10	1,704.87
3	**Profit/(Loss) before exceptional items and tax (1-2)**	(81.67)	(208.92)	(667.61)	(1,067.49)
4	Exceptional items	-	-	-	-
5	**Profit before tax (3-4)**	(81.67)	(208.92)	(667.61)	(1,067.49)
6	**Tax expense**				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	-	-	-
7	**Net Profit for the period/year (5-6)**	(81.67)	(208.92)	(667.61)	(1,067.49)
8	Other Comprehensive Income				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	-	6.22	-	6.22
	Less : Income tax expense				
	Total Other Comprehensive Income (8)	-	6.22	-	6.22
9	**Total Comprehensive Income (7+8)**	(81.67)	(202.70)	(667.61)	(1,061.27)
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				(3,371.13)
12	Earnings per share				
	(a) Basic (in Rs.)	(0.16)	(0.40)	(1.28)	(2.04)
	(b) Diluted (in Rs.)	(0.16)	(0.40)	(1.28)	(2.04)

BRAHMAYYA & CO. * CHARTERED ACCOUNTANTS * For Identification Only

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited
Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571
Corp. Office: Plot No. 83 & 84 4th Floor Punnaiah Plaza Road No. 2 Banjara Hills Hyderabad - 500 034 T: +91 40 6730 9999 F: +91 40 6730 9988

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

Picturehouse Media Limited

	Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2019				Rs. In lakhs
		Consolidated			
	PARTICULARS	Quarter ended			Year ended
		30.06.2019 Unaudited	31.03.2019 Unaudited	30.06.2018 Unaudited	31.03.2019 Audited
1	Income				
	Revenue from operations	201.99	168.90	151.71	627.64
	Other Income	0.08	6.68	0.78	13.87
	Total Income (1)	202.07	175.58	152.49	641.51
2	Expenses				
	(a) Cost of film production expenses	-	(0.00)	2.19	2.41
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefit expenses	16.26	20.05	18.37	74.83
	(e) Finance Cost	879.16	1,175.11	663.30	3,359.78
	(f) Depreciation and amortization expenses	9.34	5.43	6.08	26.65
	(g) Others expenses	14.32	70.24	31.27	164.94
	(h) Provision for doubtful debts and advances	-	19.93	587.00	606.93
	(i) Provision against Sub-Standard assets	774.87	6,198.93	-	6,198.93
	Total Expenses (2)	1,693.95	7,489.69	1,308.21	10,434.47
3	Profit/(Loss) before exceptional items and tax (1-2)	(1,491.88)	(7,314.11)	(1,155.72)	(9,792.96)
4	Exceptional items	-	-	-	-
5	Profit before tax (3-4)	(1,491.88)	(7,314.11)	(1,155.72)	(9,792.96)
6	Tax expense				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	(0.05)	-	-
7	Net Profit for the period/year (5-6)	(1,491.88)	(7,314.06)	(1,155.72)	(9,792.96)
8	Other Comprehensive Income				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	-	7.44	-	7.44
	Less : Income tax expense				
	Total Other Comprehensive Income (8)	-	7.44	-	7.44
9	Total Comprehensive Income (7+8)	(1,491.88)	(7,306.62)	(1,155.72)	(9,785.52)
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				(14,263.16)
12	Earnings per share				
	(a) Basic (in Rs.)	(2.86)	(14.00)	(2.21)	(18.74)
	(b) Diluted (in Rs.)	(2.86)	(14.00)	(2.21)	(18.74)

BRAHMAYYA & CO., CHARTERED ACCOUNTANTS
For Identification Only

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited
Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571
Corp. Office: Plot No. 83 & 84 4th Floor Punnaiah Plaza Road No. 2 Banjara Hills Hyderabad - 500 034 T: +91 40 6730 9999 F: +91 40 6730 9988

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

Picturehouse Media Limited

pvp CINEMA

Notes on the Standalone Financial Results of Picturehouse Media Limited.

1 The current assets of the company includes loans and advances amounting to Rs.4,192.88 lakhs and 'expenditure on films under production' amounting to Rs. 4,835.06 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried not withstanding the period of out standing. As regards 'films under production expenses' mainly comprising payments to artistes and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly the company is confident of realising the entire value of 'expenditure on films under production'. The management does not forsee any erosion in carrying value. The auditors have drawn qualified conclusion in this regard.

2 PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.14890.40 lakhs (including interest accrued) as per latest sale notice dated 03rd July, 2019. Further, the bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. Management asserts that no adjustment to the carrying value on investments 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 in additional cash flows will meet its obligations. The Auditors have drawn qualified conclusion in this regard.

3 As on 30th June, 2019 the company has a net worth of Rs. 1,758.04 Lakhs. The Company incurred loss of Rs.81.66 Lakhs during this quarter, Rs. 1,067.49 lakhs during FY 2018-19, Rs. 502.71 Lakhs during FY 2017-18 and Rs.1,199.01 Lakhs during 2016-17 and there are few statutory liabilities pending. Eventhough, the company has losses carried forward, it succeeded in better EBITA Margins.This is entirely aligned with the Company's long range plan, which encompasses a continued development of the Company's revenue generating activities in order to absorb the losses carried forward and generate profit over a period of time. Further, the lenders have extended their confidence by advancing finance and extending the time period of repayment. There is no intention to liquidate and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies production 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 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 auditors have drawn qualified conclusion in this regard.

4 The shares of the company is listed in BSE . The Board had a Woman director till March 2017 and subsequent to the resignation, a new Woman Director was appointed in December 2018. SEBI issued a Circular in May 2018, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th September 2018 amounting to Rs.7.59 lakhs. The company is in the process of filing appeal with Securities Appellate Tribunal (SAT) for the same.The auditors have drawn Emphasis of Matter in this regard.

BRAHMAYYA & CO., CHARTERED ACCOUNTANTS
For Identification Only

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited

Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571

Corp. Office: Plot No. 83 & 84 4th Floor Punnaiah Plaza Road No. 2 Banjara Hills Hyderabad - 500 034 T: +91 40 6730 9999 F: +91 40 6730 9988

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

5 The Principal Commissioner of CGST and Central Excise has passed an order in 2017 for the Financial Years 2011-12 to 2014-15 with regard to the Service Tax on the perpetual sale of various copyrights, demanding a sum of Rs.802.33 lakhs and penalty of Rs.802.43 lakhs. This is a Film Industry's issue and most of the producers have gone for appeal.Aggrieved by the order, the Company has disputed the demand with Honourable Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by paying the required Deposit of Rs.60.18 lakhs, which is shown under Non-Current Assets.

In continuation of above Show Cause Notice, during the previous year Additional Commissioner of CGST and Central Excise passed another order for the Financial year 2015-16, 2016-17 and 2017-18 (Till June 2017) on the same grounds demanding a sum of Rs. 155.42 lakhs and penalty of Rs. 15.64 lakhs and further passed an order demanding a sum of Rs. 117.59 lakhs for the Financial year 2015-16 without allowing CENVAT credit.

Aggrieved by the orders, the Company has disputed all the demands with Learned Commissioner of CGST and Central Excise. The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

6 Picturehouse Media Private Ltd, a Wholly-Owned Subsidiary of the Company, incorporated in Singapore had submitted an application to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") to strike off from the register of companies. Picturehouse Media Private Ltd, Singapore has been officially struck off and dissolved with effect from 5th November, 2018. The Voluntary Strike off of the above dormant subsidiary does not have any material impact on the company.

Notes on the Consolidated Financial Results

In Case of PVP Capital Limited (Wholly Owned Subsidiary Of PHML):

7 a. As already referred in point 2, The Company has defaulted on repayment of interest and loans aggregating Rs.14890.40 lakhs (including interest accrued) as per latest sale notice dated 03rd July, 2019 which are payable on demand. Due to market condition in film industry, the company's customers did not meet their payment obligations and hence the above default. The company is contemplating to close the loan of way of One Time Settlement (OTS) in the near future.The auditors have drawn qualified conclusion in this regard.

b. Parallaly, the Company has a loan book of Rs. 15,497.33 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 cummulative provision of Rs. 10,073.27 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. The auditors have drawn qualified conclusion in this regard.

8 As on 30th June, 2019, the group has a negative net worth of Rs. 10,544.21 Lakhs. The group incurred loss of Rs. 9,792.96 lakhs during FY 2018-19 and Rs. 5,257.09 Lakhs during financial year 2017-18 and there are few statutory liabilities pending. Even though, the group has losses carried forward, it 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 group has got future projects to keep improving. The group has paid advance amounts to the artistes and technicians for the future movieproductions which are shown under Inventory. Further, during the course of period, the group indents to strategically merge with its holding company which will create positive synergy in future. The financial results have been prepared on going concern basis based on cumulative input of the available movie projects in pipe line and risk mitigating factors. The auditors have drawn qualified conclusion in this regard.

9 The Consolidated financial results for the quarter ended June 30, 2018 and March 31, 2019 were not subjected to "limited review" by the statutory auditors of the company and are prepared by the management.

BRAHMAYYA & CO., CHARTERED ACCOUNTANTS
For Identification Only

PICTUREHOUSE MEDIA LIMITED

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

Picturehouse Media Limited

General Notes

10 The above unaudited financial results of the company have been prepared in accordance with (Indian Accounting Standards) ("Ind AS") as prescribed under section 133 of the companies act, 2013 read with relevant rules thereunder and in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11 The above unaudited financial results were reviewed and recommended by the audit committee and approved by the Board of Directors at its meeting held on 14th August, 2019. The above results have been subjected to limited review by the statutory auditors of the company and have issued a qualified review report thereon in standalone and consolidated financial results.

12 The figures for the quarter ended 31st March 2019, with respect to Standalone and Consolidated financial results, are the balancing figures between audited figures in respect of full previous financial year and published year-to-date figures upto the end of the third quater of the respective financial year.

13 Effective 1 April 2019, the Company has adopted ind AS 116, 'Leases' using the modified retrospective approach, as a result of which the comparative information is not required to be restated. The cummulative effect of initial application of the standard amounting to Rs. 14.17 Lakhs has been recognised as an adjustment to opening balance of retained earnings as at April 1, 2019. The company has recognised Rs. 17.12 Lakhs as right to use assets and lease liability of Rs.31.29 Lakhs as on the date of transition i.e April 1, 2019. Accordingly, during the quarter ended June 30, 2019, Rs. 1.10 Lakhs has been accounted as Finance Cost and Rs. 3.67 Lakhs as Depreciation against the payment of Rs. 7.35 Lakhs

14 The Company is operating in media and related activities and hence segment reporting is not applicable.

15 Previous period figures have been regrouped wherever necessary to confirm to current period classification.

16 These results are also available at the website of the company www.pvpcinema.com and www.bseindia.com

For and on behalf of the Board of Directors

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS
For Identification Only

Place: Chennai
Date: August 14, 2019

N.S KUMAR
Director

PICTUREHOUSE MEDIA LIMITED

Picturehouse Media Limited
Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571
Corp. Office: Plot No. 83 & 84 4th Floor Punnaiah Plaza Road No. 2 Banjara Hills Hyderabad - 500 034 T: +91 40 6730 9999 F: +91 40 6730 9988

PICTUREHOUSE MEDIA LIMITED
CIN : L92191TN2000PLC044077

Limited Review Report on Unaudited Quarterly Standalone Financial Results of "Picturehouse Media Limited" pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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** ("the Company"), for the quarter ended 30th June 2019 (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. This Statement is the responsibility of the Company's Management and approved by the Board of Directors, 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. Our responsibility is to issue a report on the statement based on our review.

2. 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.

3. *As explained in Note No.1 to the financial results, in relation to loans and advances made for film production (including interest accrued) amounting to Rs.4,192.88 lakhs, whose realisability 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 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 were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as at 30th June, 2019 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 adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the quarter is understated.*

4. *As explained in Note No.1 to the financial results, in relation to inventory i.e films production expenses amounting to Rs. 4,835.06 lakhs, mainly consists 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 states that it is evaluating options for optimal utilization of these payments. In the absences of demonstrable approach towards commencement and completion of production of films and also in the absence of confirmation of balances from the parties, we are of the view that the realisability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the quarter is understated to this extent.*

BRAHMAYYA & CO. CHENNAI, INDIA CHARTERED ACCOUNTANTS

48, Masilamani Road, Balaji Nagar, Royapettah,
Chennai - 600 014. India.

T : +91- 044 - 2813 1128 / 38 / 48 | F : +91- 044 - 2813 1158
E : mail@brahmayya.com | www.brahmayya.com

5. *Attention is invited to Note No.2 to the financial results, in relation to investment in equity shares in PVP Capital Limited ('PVPCL' a Wholly Owned Subsidiary Company),amounting to Rs.2,521.74 lakhs. Considering erosion in the net worth of the subsidiary company and its dependence on the holding company to continue as a going concern, and in the absence of visible cash flows, defaults in repayment of its dues to bank, non-payment of statutory dues and other related factors indicates the existence of materiality uncertainty in carrying value of investments. Management asserts that no adjustment to the carrying value is required as it is confident that Investee Company has ability to garner the required cash flows. Whereas we were unable to assess the financial ability of the investee company particularly from the perspective of meetings its obligations. Hence we are of the view that the entire carrying value of investments need to be provided for and to this extent the loss for the quarter is understated.*

6. *Attention is invited to Note No.3 to the financial results, 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, impact of our observations made in preceding paragraphs and other related factors indicates that there is an existence of material uncertainty that will cast significant doubt on the company's ability to continue as a going concern. Therefore 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 terminal values of various assets and liabilities have not been determined, and we are therefore unable to express our view, whether the preparation of financial results on a going concern assumption is appropriate or not.*

7. Attention is invited to Note no. 4 to the financial results, Bombay Stock Exchange Limited (BSE), has imposed penalty on the company amounting to Rs.7.59 lakhs as per regulation 17 and 19 of the SEBI (LODR) Regulations, 2015 for non-compliance with the requirements pertaining to the composition of Board regarding failure to appoint Women Director and for non-compliance with the constitution of Nomination and Remuneration Committee. The company has disputed the same and is in the process of filing an appeal before Securities Appellate Tribunal (SAT).Pending disposal of the appeal, the eventual obligation in this regard is unascertainable at this stage. Based on the management's assessment, that it has good case to succeed in dispute, no provision is made in the financial results.

   Our conclusion is not modified in respect of this matter.

8. Based on our review conducted as stated above, *except for the possible effects of the matters described in the paragraphs 3, 4,5 and 6*, 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.

For Brahmayya & Co.,
Chartered Accountants
Firm Regn No: 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

K.Jitendra Kumar
Partner
Membership No. 201825
UDIN:19201825AAAADC8154

Place : Chennai
Date :14th August, 2019

Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results of "Picturehouse Media Limited" Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
Picturehouse Media Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **Picturehouse Media Limited** ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30^{th} June 2019 ("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. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30^{th} June 2018 and the previous quarter ended 31^{st} March 2019 as reported in these financial result have been approved by the Parent's Board of Directors, but have not been subject to review since the requirement of submission of quarterly consolidated financial results has become mandatory with effect from 1^{st} April 2019.

2. The Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, 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 issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 ("ICAI"). 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 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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

4. *As explained in Note No.1 to the financial results, in relation to loans and advances made for film production (including interest accrued) amounting to Rs.4,192.88 lakhs, whose realisability 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 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 were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as at 30th June, 2019 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 adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the quarter is understated.*

5. *As explained in Note No.1 to the financial results, in relation to inventory i.e films production expenses amounting to Rs.4,835.06 lakhs, mainly consists 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 states that it is evaluating options for optimal utilization of these payments. In the absences of demonstrable approach towards commencement and completion of production of films and also in the absence of confirmation of balances from the parties, we are of the view that the realisability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the quarter is understated to this extent.*

6. The independent auditor of subsidiary company have drawn Qualified Conclusion included in the review report has been reproduced by us as under:

   a. *As explained in Note No.7(a) to the financial results, includes the results of PVP Capital Limited, 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 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.14,890.40 lakhs as per latest sale notice dated 03rd July, 2019. Taking into consideration, pending ultimate outcome of the legal proceedings as well as liquidity constraints of the subsidiary company, doubts are cast on its ability to continue as a going concern to achieve its future business plans. Hence, 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 results 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.*

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

b. As explained in Note No.7(b) to the financial results includes the results of PVP Capital Limited, in relation to loans for film production amounting to Rs.15,497.33 lakhs, whose realisability 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.10,073.27 lakhs as adequate, no additional provision is 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. *Attention is invited to Note No.8 to the financial results, in relation to preparation of consolidated financial results on "Going Concern Basis", while the networth being completely eroded, without carrying any major business activity in the group, incurring continuous losses from business operations, adverse key financial ratios, matters mentioned in preceding paragraphs and other related factors indicates that there is an existence of material uncertainty that will cast significant doubt on the group's ability to continue as a going concern. Therefore group 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 terminal values of various assets and liabilities have not been 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.*

8. Attention is invited to the Note no. 4 to the financial results, Bombay Stock Exchange Limited (BSE), has imposed penalty on the company amounting to Rs.7.59 lakhs as per regulation 17 and 19 of the SEBI (LODR) Regulations, 2015 for non-compliance with the requirements pertaining to the composition of Board regarding failure to appoint Women Director and for non-compliance with the constitution of Nomination and Remuneration Committee. The company has disputed the same and is in the process of filing an appeal before Securities Appellate Tribunal (SAT).Pending disposal of the appeal, the eventual obligation in this regard is unascertainable at this stage. Based on the management's assessment, that it has good case to succeed in dispute, no provision is made in the financial results.

   Our conclusion is not modified in respect of this matter.

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

Name of the Entity	Relationship
PVP Capital Limited	Wholly Owned Subsidiary
PVP Cinema Private Limited	Wholly Owned Subsidiary

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

10. 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 4,5,6 and 7,*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.

11. We did not review interim financial results of two subsidiaries; included in the Statement, whose financial results reflect total revenue of Rs.Nil Lakhs, total net loss after tax of Rs.1,410.29 Lakhs, total comprehensive loss of Rs. 1,410.29 Lakhs for the quarter ended on 30th June 2019, as considered in the Statement.These financial results has been reviewed by the other auditor whose report has been furnished to us by the Management, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

For Brahmayya & Co.,
Chartered Accountants
Firm Reg. No. 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

K. Jitendra Kumar
Partner
Membership No. 201825
UDIN:19201825AAAADD8873

Place :Chennai
Date : 14th August 2019

48, Masilamani Road, Balaji Nagar, Royapettah,
Chennai - 600 014. India.
T:+91- 044 - 2813 1128 / 38 / 48 | F:+91- 044 - 2813 1158
E:mail@brahmayya.com | www.brahmayya.com