Picturehouse Media Limited

September 14, 2020

To
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Security Code BSE – 532355 **ISIN NO.INE448B01029**

Dear Sir / Madam,

Sub: Outcome of the Board Meeting and Submission of financials results

Pursuant to Regulation of 30, 33, and other applicable provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, we wish to inform you that, the Board of Directors of the Company at their meeting held on September 14, 2020 have *inter-alia:*

1) Approved the Un-audited financial results (Standalone & Consolidated) for the First (1) quarter ended June 30, 2020 along with Limited Review Report from the Statutory Auditor.

2) Approved the extension of AGM of the Company for the financial year ended 31st March 2020 till 31st December 2020.

3) Approved to convene 21st Annual General Meeting of the Company on October 12, 2020

4) Approved the closer of Register of Members and Transfer book from October 05, 2020 to October 12, 2020 (Both the days inclusive) for the purpose of Annual General Meeting of the Company.

Kindly note the Board Meeting Commenced at 10:30 A.M and ended at 04:35 P.M.

Yours Faithfully,
For Picturehouse Media Limited

Sai Teja Ivaturi
Company Secretary

Encl : As above

Picturehouse Media Limited.
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info@pvpglobal.com | pvpcinema.com
CIN: L92191TN2000PLC044077

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, 2020

CIN:L92191TN2000PLC044077

	Statement of Standalone Unaudited Financial Results for the Quarter ended June 30, 2020				Rs. In lakhs
	PARTICULARS	Standalone			
		Quarter ended			Year ended
		30.06.2020 Unaudited	31.03.2020 Unaudited	30.06.2019 Unaudited	31.03.2020 Audited
1	**Income**				
	Revenue from operations	5.00	63.24	201.99	1,447.63
	Other Income	3.34	10.47	0.08	53.75
	Total Income (1)	**8.34**	**73.71**	**202.07**	**1,501.38**
2	**Expenses**				
	(a) Cost of film production expenses	-	2.64	-	987.04
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefit expenses	9.75	14.39	13.20	55.31
	(e) Finance Cost	214.13	267.96	248.80	993.48
	(f) Depreciation and amortization expenses	8.54	8.49	9.34	35.89
	(g) Others expenses	15.46	18.05	12.31	62.66
	(h) Provision for doubtful debts and advances	-	-	0.09	19.19
	Total Expenses (2)	**247.88**	**311.53**	**283.74**	**2,153.57**
3	**Profit/(Loss) before exceptional items and tax (1-2)**	**(239.54)**	**(237.82)**	**(81.67)**	**(652.19)**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3-4)**	**(239.54)**	**(237.82)**	**(81.67)**	**(652.19)**
6	**Tax expense**				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	0.40	-	0.40
7	**Net Profit for the period/year (5-6)**	**(239.54)**	**(238.22)**	**(81.67)**	**(652.59)**
8	Other Comprehensive Income				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	-	5.64	-	5.64
	Less : Income tax expense				
	Total Other Comprehensive Income (8)	**-**	**5.64**	**-**	**5.64**
9	**Total Comprehensive Income (7+8)**	**(239.54)**	**(232.58)**	**(81.67)**	**(646.95)**
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				(4,032.23)
12	Earnings per share				
	(a) Basic (in Rs.)	(0.46)	(0.46)	(0.16)	(1.25)
	(b) Diluted (in Rs.)	(0.46)	(0.46)	(0.16)	(1.25)

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2020					Rs. In lakhs
	PARTICULARS	Consolidated			
		Quarter ended			Year ended
		30.06.2020 Unaudited	31.03.2020 Unaudited	30.06.2019 Unaudited	31.03.2020 Audited
1	**Income**				
	Revenue from operations	5.00	63.24	201.99	1,447.63
	Other Income	3.34	10.47	0.08	52.25
	Total Income (1)	**8.34**	**73.71**	**202.07**	**1,499.88**
2	**Expenses**				
	(a) Cost of film production expenses	-	2.64	-	987.04
	(b) Purchases of Stock-in-Trade	-	-	-	-
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-
	(d) Employee benefit expenses	11.43	19.19	16.26	64.20
	(e) Finance Cost	965.91	1,200.31	879.16	3,931.09
	(f) Depreciation and amortization expenses	8.68	8.63	9.34	36.15
	(g) Others expenses	16.09	19.36	14.32	67.68
	(h) Provision for doubtful debts and advances	-	-	-	19.05
	(i) Provision against Sub-Standard assets	372.90	774.87	774.87	3,099.47
	Total Expenses (2)	**1,375.01**	**2,025.00**	**1,693.95**	**8,204.68**
3	**Profit/(Loss) before exceptional items and tax (1-2)**	**(1,366.67)**	**(1,951.29)**	**(1,491.88)**	**(6,704.80)**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3-4)**	**(1,366.67)**	**(1,951.29)**	**(1,491.88)**	**(6,704.80)**
6	**Tax expense**				
	a) Current Tax	-	-	-	-
	b) Deferred Tax	-	-	-	-
	c) Income tax for earlier years	-	0.40	-	0.40
7	**Net Profit for the period/year (5-6)**	**(1,366.67)**	**(1,951.69)**	**(1,491.88)**	**(6,705.20)**
8	Other Comprehensive Income				
	a) (i) Items that will not be reclassified subsequently to profit and loss				
	Remeasurement of defined benefit obligation	-	5.12	-	5.12
	Less : Income tax expense				
	Total Other Comprehensive Income (8)	**-**	**5.12**	**-**	**5.12**
9	**Total Comprehensive Income (7+8)**	**(1,366.67)**	**(1,946.57)**	**(1,491.88)**	**(6,700.08)**
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				(20,997.45)
12	Earnings per share				
	(a) Basic (in Rs.)	(2.62)	(3.74)	(2.86)	(12.83)
	(b) Diluted (in Rs.)	(2.62)	(3.74)	(2.86)	(12.83)

PICTUREHOUSE MEDIA LIMITED

Notes on the Standalone Financial Results of Picturehouse Media Limited

1. The current assets of the company includes loans and advances amounting to Rs.3,632.82 lakhs and 'expenditure on films under production' amounting to Rs.4,820.49 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards 'expenditure on films under production' 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 foresee 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.17,539.69 lakhs (including interest accrued) as per the books of accounts as on 30th June, 2020. 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.

   Further, The company has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

   Management asserts that no adjustment to the carrying value on 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, 2020, the company has a net worth of Rs.953.24 Lakhs. Eventhough, the company is incurring continuous losses, it is succeeded in reduction in 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 and the Company has got future projects to keep improving. The Company has paid advance amounts to the artistes and technicians for the future movies productions which are shown under Inventory. Further, 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 spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The company has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory, loans and advances and investments as on 30th June, 2020. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The company evaluated the internal controls with reference to financial results which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COIVD-19 situation.

PICTUREHOUSE MEDIA LIMITED

5. The shares of the company is listed in BSE. The Board had a Woman director till Mar'17 and subsequent to the resignation, a new Woman Director was appointed in Dec'18. SEBI issued a Circular in May'18, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th Sep'18 amounting to Rs.7.59 lakhs. The company has filed an appeal with Securities Appellate Tribunal (SAT). However SAT has dismissed the appeal. Therefore, during the quarter ended 30th June, 2020, the company has accounted provision of Rs.7.59 lakhs in the standalone financial results.

6. 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. The company has disputed this demand and filed an appeal with CESTAT by paying the required Deposit of Rs.27.31 lakhs, which is shown under Non-Current Assets. The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

7. During the Quarter, Lease deed entered with the lessor at Hyderabad has been expired, management has intention to renew the lease deed on the same terms and conditions of the previous Lease Deed. Accordingly, the company has accounted Rs.1.93 Lakhs as Finance Cost and Rs.4.14 Lakhs as Depreciation during the quarter ended 30th June, 2020 as per the Ind AS 116, "Leases".

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

9. The above standalone financial results for the quarter ended 30th June, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 14th September, 2020 and have been subjected to limited review by the statutory auditors of the company.

10. The figures for the Quarters ended 31st March, 2020 are the balancing figures between the audited annual figures in respect of the full financial year and the published year to date figures upto the end of the third quarter.

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

12. 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

PICTUREHOUSE MEDIA LIMITED

Place: Hyderabad
Date: 14.09.2020

Prasad V. Potluri
Managing Director

Notes on the Consolidated Financial Results of Picturehouse Media Limited (PHML)

1. The current assets of the group includes loans and advances amounting to Rs.3,632.82 lakhs and 'expenditure on films under production' amounting to Rs. 4,820.49 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried notwithstanding the period of outstanding. As regards 'expenditure on films under production' mainly comprising payments to artistes and co-producers the group is evaluating options for optimal utilization of these payments in production and release of films. Accordingly the holding company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee 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.17,539.69 lakhs (including interest accrued) as per the books of accounts as on 30th June, 2020. 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.

   Further, PVPCL has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

   Management has evaluating the action plans to realize the dues to the company and settlement the existing vendors, further company can carry the movie financing business after taking necessary approvals from the RBI. Hence management is of the view that the financial results shall continue to be prepared on the assumption that the company is a going concern. The auditors have drawn qualified conclusion in this regard.

3. PVP Capital Limited has a loan book 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 cummulative provision of Rs.12,770.76 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.

4. As on 30th June, 2020, the company has a negative net worth of Rs.17,119.11 Lakhs. Eventhough the company is incurring continuous losses and negative networth, the group is succeeded in reduction in 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 keep improving. The Group has paid advance

PICTUREHOUSE MEDIA LIMITED

amounts to the artists and technicians for the future movies production which is shown under Inventory. Further, the Group indents to strategically merge with its holding 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. The auditors have drawn qualified conclusion in this regard.

5. The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The Group has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory, loans and advances and investments at balance sheet date. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The Group evaluated the internal controls with reference to financial results which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COIVD-19 situation.

6. The shares of the company is listed in BSE. The Board had a Woman director till Mar'17 and subsequent to the resignation, a new Woman Director was appointed in Dec'18. SEBI issued a Circular in May'18, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th Sep'18 amounting to Rs.7.59 lakhs. The company has filed an appeal with Securities Appellate Tribunal (SAT). However SAT has dismissed the appeal. Therefore, during the quarter ended 30th June, 2020, the group has accounted provision of Rs.7.59 lakhs in the consolidated financial results.

7. 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 Group 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. The Group has disputed this demand and filed an appeal with CESTAT by paying the required Deposit of Rs.27.31 lakhs, which is shown under Non-Current Assets.The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

8. During the Quarter, Lease deed entered with the lessor at Hyderabad has been expired for Picturehouse Media Limited, management has intention to renew the lease deed on the same terms and conditions of the previous Lease Deed. Accordingly, the group has accounted Rs.1.93 Lakhs as Finance Cost and Rs.4.14 Lakhs as Depreciation for the quarter ended 30th June, 2020 as per the Ind AS 116, "Leases".

9. Based on the management approach, as defined in Ind AS108,Movie Production and Movie Financing is considered as single operating segment by the considering the performance as whole. Hence segment reporting is not applicable.

PICTUREHOUSE MEDIA LIMITED

10. The above consolidated financial results for the quarter ended 30th June, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 14th September, 2020 and have been subjected to limited review by the statutory auditors.

11. The figures for the Quarters ended 31st March, 2020 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter.

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

13. 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

PICTUREHOUSE MEDIA LIMITED

Place: Hyderabad
Date: 14.09.2020

Prasad V. Potluri
Managing Director

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 2020 (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. *Attention is invited to Note No.1 to the standalone financial results, in relation to loans and advances made for film production (including interest accrued) amounting to Rs.3,632.82 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, 2020 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 ended 30th June, 2020 is understated to this extent.*

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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4. *Attention is invited to Note No.1 to the standalone financial results, in relation to inventory i.e films production expenses amounting to Rs. 4,820.49 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 ended 30th June, 2020 is understated to this extent.*

5. *Attention is invited to Note no. 2 to the standalone 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, 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, further 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 results 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 investment need to be provided for and to this extent the loss for quarter ended 30th June, 2020 is understated to this extent.*

6. *Attention is invited to Note No.3 and 4 to the standalone 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, 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 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.*

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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7. Based on our review conducted as stated above, *except for the possible effects of the matters described in the paragraphs 3, 4 and 5, and inadequate disclosure of "Material Uncertainty Related to Going Concern" described in the paragraph no. 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.

8. Attention is drawn to the fact that the figures for three months ended 31st March, 2020 as reported in these standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures upto the third quarter of the previous financial year had only been reviewed not subjected to audit.

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

G. Jitendra Kumar

Place : Chennai
Date : 14th September, 2020

K.Jitendra Kumar
Partner
Membership No. 201825
UDIN:20201825AAAAEE1218

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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 30th June 2020 ("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. 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.

4. *Attention is invited to note no.1 to the consolidated financial results, in relation to loans and advances made for film production (including interest accrued) amounting to Rs.3,632.82 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*

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carrying amounts of loans and advances as on 30th June, 2020 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-ended 30th June, 2020 is understated to this extent.

5. *Attention is invited to note no.1 to the consolidated financial results, in relation to inventory i.e films production expenses amounting to Rs. 4,894.43 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-ended 30th June, 2020 is understated to this extent.*

6. The independent auditor of subsidiary company have drawn Qualified conclusion which has been reproduced by us as under:

   a. *As explained in Note No.2 to the consolidated 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.17,539.69 lakhs as per books of accounts as on 30th June, 2020.*

   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 the said note to the financial results, the company's ability to 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 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.

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b. As explained in Note No.3 to the consolidated financial results includes the results of PVP Capital Limited, in relation to loans for film production amounting to Rs.15,381.04 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.12,770.76 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.4 and 5 to the consolidated 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, non-payment of statutory dues, the impact of outbreak of Coronavirus (COVID -19) on the business operations of the Group as mentioned in note no. to the financial results, 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 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 consolidated financial results on a going concern assumption is appropriate or not.*

8. 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

9. 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.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.

10. 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.1,127.14 Lakhs, total comprehensive loss of Rs.1,127.14 Lakhs for the quarter ended on 30th June 2020, 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 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.

11. Attention is drawn to the fact that the figures for the three months ended 31st March, 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures upto the third quarter of the previous financial year had only been reviewed not subjected to audit.

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

K. Jitendra Kumar
Partner
Membership No. 201825
UDIN: 20201825AAAAEF5730

Place : Chennai
Date : 14th September, 2020

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