



November 26, 2024

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001
Scrip Code: **532355**

Dear Sir/ Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

This has reference to the aforesaid subject, we would like to bring your kind attention that, the Reserve Bank of India has issued cancellation of certificate of registration for not to carry on the business of Non Banking Financial Institution to PVP Capital Limited the wholly owned subsidiary of the company on 25th November, 2024 by mail and the same is attached herewith for your ready refernce.

We request to take the aforesaid disclosure for your record & information.

For Picturehouse Media Limited

Prasad V. Potluri
Managing Director
DIN: 00179175
Encl: As above



Picturehouse Media Limited.

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F: +91 40 6730 9988

Regd. Office: KRM Centre 9th Floor No. 2 Harrington Road Chetpet
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CIN: L92191TN2000PLC044077



**Reserve Bank of India
Department of Regulation
Chennai, Nodal Regional Office**

*Cancellation of Certificate of Registration to carry on
the business of Non-Banking Financial Institution issued to
PVP Capital Limited*

*In exercise of the powers conferred under Sub-Section (6) of
Section 45-IA of the Reserve Bank of India Act, 1934
the Reserve Bank of India passes the following*

"Order"

M/s PVP Capital Limited (the "company"), bearing CIN- U65191TN1988PLC015481, having its registered office at 9th Floor, KRM Centre, No.2, Harrington Road, Chetpet, Chennai - 600031, was incorporated on March 17, 1988 under the Companies Act, 1956. The company had submitted an application to the Reserve Bank of India (the "Bank") for issuance of a Certificate of Registration (CoR) under the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act") to carry on the business of Non-Banking Financial Institution (NBFI). Accordingly, the Bank issued CoR bearing No. B-07.00406 dated May 23, 2002 to the company to function as a non-deposit taking Non-Banking Financial Company (NBFC-ND).

2. In terms of sub-section (6) of section 45-IA of the RBI Act, the Bank is empowered to cancel a CoR granted to an NBFC if such company -

- i. ceases to carry on the business of a Non-Banking Financial Institution; or
- ii. has failed to comply with any condition subject to which the certificate of registration had been issued to it; or
- iii. at any time fails to fulfil any of the conditions referred to in clauses (d) to (g) of sub-Section (4) of Section 45-IA of the RBI Act; or
- iv. fails -
 - a. to comply with any direction issued by the Bank under the provisions of Chapter III-B of the RBI Act; or
 - b. to maintain accounts in accordance with the requirements of any law or any direction or order issued by the Bank under the provisions of Chapter III-B of the RBI Act; or
 - c. to submit or offer for inspection its books of account and other relevant documents when so demanded by an inspecting authority of the Bank; or



v. has been prohibited from accepting deposit by an order made by the Bank under the provisions of Chapter III-B of the RBI Act, and such order has been in force for a period of not less than three months.

3. The company is non-compliant with respect to various directions/guidelines issued by the Bank under the provisions of Chapter III-B of the RBI Act, 1934. In view of the above, vide letter dated March 14, 2024, a Show Cause Notice (SCN) was issued to the company. Vide its letter dated March 26, 2024, the company replied to the SCN and the same was analysed in detail. The violations observed and listed in the SCN issued to the company, the company's reply to the SCN and the conclusion of the Bank are mentioned as under:

4. Violations of various guidelines contained in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 read along with Master Direction – NBFC – Scale Based Regulation, 2023

4.1 Net owned Funds ("NOF") of the company was found to be negative for the past six years i.e for FY 2017-18 (-) Rs. 35.78 Crore, FY 2018-19 (-) Rs.84.19 Crore FY 2019-20 (-) Rs.144.82 Crore, FY 2020-21 (-) Rs.209.07 Crore FY 2021-22 (-) Rs.251.53 Crore & FY 2022-23 (-) Rs. 5.56 Crore as against the NOF of Rs. 2 Crore stipulated under section 45 IA(1)(b) of the RBI Act.

Gist of company's reply

The company replied that there had been a significant improvement in the NOF of the company from the FY 2021-2022 to 2022-2023. The company submitted that the PVP Group had undergone a corporate restructuring in the FY 2023-24 to realign its various businesses and had infused a fund of Rs.86.00 crore in June 2022 for the revival of PVP Capital Limited. The company had also submitted that Picturehouse Media Limited (PHML), the parent company, was anticipating significant cash flows from the sale of OTT rights of movies and had clocked revenue of Rs.13.05 Crore in the FY 2022-23. Also, Picturehouse Media Limited had acquired New Cyberabad City Projects Limited, which had substantial development rights to various infrastructure projects, and the promoters anticipated positive cash flows in the coming years. The company replied that the management was confident that these initiatives would bring substantial cash flows into PHML and that would be funding PVP Capital Limited. Further, the company submitted that PVP Capital Limited had filed various writ petitions for recovering advances made to various parties and they were pending at various Hon'ble fora for resolution and the management was confident that all these efforts would improve the NOF of the company.



4.2 The percentage of financial income to the total income of the company was found to be zero for the last four financial years i.e. FY 2019-2020 to FY 2022-23, indicating that the company was not engaged in the business of nonbanking financial institution as contained in Section 45 I(a) during this period. Thus, the company was found to be not meeting Principal Business Criteria, given vide press release 1998-99/1269 dated April 8, 1999.

Gist of company's reply

The company replied that PVP Capital Ltd, with the new restructuring in place was confident of strengthening its market position and was focusing on funding the entertainment business, namely film production, which is a flourishing industry and poised for tremendous growth. The company had submitted that the company was already well established and had worked with reputed pan-India production houses. The company was confident of leveraging its existing relationships and set for rapid reentry into the business.

Conclusion of the Bank for 4.1 and 4.2

The company's NOF had marginally improved to (-) Rs.5.56 crore for FY 2022-23 from (-) Rs.251.53 crore for FY 2021-22; however, it was still negative and well below the prescribed minimum of Rs. 2 Crore. The company had submitted that its parent company, PHML, had undergone a corporate restructuring and was anticipating positive cash flows in the coming years. Since, the company had submitted that the management was confident that these initiatives would bring substantial cash flows into PHML and it, in turn, would be funding PVP Capital Limited, the Bank had advised the company to submit the audited financial statements of the company for FY 2023-24 to ascertain its compliance to the minimum required NOF of Rs. 2 crore. The company submitted the audited financial statements for FY 2023-24. On perusal of the audited financial statements of the company for FY 2023-24, it was ascertained that the company continued to not meet PBC and the minimum required NOF for FY 2023-24 as well. In fact, the negative NOF had worsened i.e. at (-) Rs. 5.81 crore for FY 2023-24 as against the (-) Rs. 5.56 crore of FY 2022-23. Moreover, the response submitted by the company is not acceptable as the company has not been meeting its PBC for the past five financial years and also has not been maintaining the minimum required NOF of Rs. 2 Crore from FY2017-18 onwards for the last seven years. Hence, it is proposed to cancel the CoR of the company.



4.3 Further, the company had appointed Shri Praveen Kumar Aeloori and Shri Sohrab Chinoy Kersap as directors on September 25, 2019 and February 20, 2020 respectively, without obtaining prior approval from the Bank as stipulated in para 42.1.1(iii) of the Master Direction – Reserve Bank of India, Non-Banking Financial Company – Scale Based Regulation, Directions, 2023 dated October 19, 2023.


5. Under these circumstances, it is established that the company has violated various directions issued by the Bank under the provisions of chapter III-B of the RBI Act, 1934. The company had failed to give satisfactory explanation for these non-compliances. Hence, it is evident that though adequate opportunity was provided to the company to comply with the directions/regulations of the Bank, it has failed to adhere to the same.

6. In terms of sub-section (6)(iv)(a) of section 45-IA of the RBI Act, the Bank may cancel the CoR granted to a NBFC, if that company fails to comply with any direction issued by the Bank under the provisions of chapter III-B of the RBI Act. Considering all the relevant facts, developments and affairs of the company, the Bank is satisfied that the company is not eligible to continue to carry on the business of a NBF and no public interest would be served in allowing the company to continue to undertake the business of a NBF. Hence, it would be in order to cancel the CoR issued to the company.

7. Accordingly, the CoR bearing No. B-07.00406 dated May 23, 2002 issued to M/s PVP Capital Limited is hereby cancelled in terms of Section 45-IA (6) of the RBI Act. The company is directed to return the CoR in original at the Bank's office in Chennai, against acknowledgement of this order. The company is also advised to stop carrying out financial business with immediate effect. The company will, however, continue to be governed by the relevant provisions of the RBI Act till the repayment of all the claims, if any, which the company has accrued as a NBFC.

8. A copy of this order may be served to the company and the directors.

Chennai
November 21, 2024


(Rakesh Kumar Srivastava)
Chief General Manager