

**PVP VENTURES LIMITED**

**Annual Report  
2010-11**

## 20th Annual Report 2010-2011

### PVP VENTURES LIMITED

20th Annual Report 2010-11

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### Company Information

#### Board of Directors

Mr. Prasad V. Potluri  
(Chairman & Managing Director)  
Mr. R. Nagarajan  
Mr. N. S. Kumar

#### Company Secretary and Compliance Officer

Mr. Dhiraj Kumar Sinha

#### Board Committees

##### Audit Committee

Mr. R. Nagarajan (Chairman)  
Mr. N. S. Kumar

##### Remuneration Committee

Mr. R. Nagarajan (Chairman)  
Mr. N. S. Kumar

##### Shareholders'/Investors' Grievance Committee

Mr. R. Nagarajan (Chairman)  
Mr. N. S. Kumar  
Mr. Prasad V. Potluri

#### Auditors

M/s. CNGSN & Associates  
Chartered Accountants, Chennai

#### Bankers

Union Bank of India  
HDFC Bank Limited  
Kotak Mahindra Bank Limited

#### Registered Office

KRM Centre, 9th Floor,  
Door No. 2, Harrington Road,  
Chetpet, Chennai-600031  
Telephone: +91-44-30285570  
Fax: +91-44-30285571  
Email: investorrelations@pvpglobal.com

#### Corporate Office

4th Floor, Punnaiah Plaza, Plot No. 83&84,  
Road No. 2, Banjara Hills,  
Hyderabad, India  
Mob: +91-9908816444  
Tel: +91-40-67309999  
Fax: +91-40-67309988  
Email: investorrelations@pvpglobal.com

#### Registrars & Transfer Agents

M/s. Karvy Computershare Private Limited  
Plot No. 17 to 24, Vithalrao Nagar,  
HITECH City road, Madhapur  
Hyderabad-500086  
Phone: 040-23420818-828  
Fax: 040-23420814  
Email: einward.ris@karvy.com

**Notice**

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of PVP Ventures Limited will be held on Wednesday, September 28, 2011 at 10.00 A.M. at Rani Seethai Hall, 603, Anna Salai, Chennai-600 006, to transact the following **Ordinary Businesses**:

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2011, the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Nagarajan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. CNGSN & Associates, Chartered Accountants, Chennai as the statutory auditors of the Company and to authorize the Board of Directors to fix their remuneration.

The following resolution, is proposed to be passed, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s. CNGSN & Associates, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

By order of the Board  
For **PVP Ventures Limited**

**Dhiraj Kumar Sinha**  
(GM-Legal & Company Secretary)  
Chennai, August 25, 2011

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 19, 2011 to Wednesday, September 28, 2011 (both days inclusive).
6. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/RTA and notify the Company’s RTA, or the Depository Participants, in case of shares in dematerialized form, immediately of change, if any, in their registered address.
7. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company had transferred the unpaid or unclaimed dividends, for the previous financial years upto 2002-03 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
8. Further, in terms of section 205C(2) of the Companies Act, 1956 and the Rules made thereunder, the Company on 21.04.2011

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deposited the unclaimed and unpaid deposit of ₹ 2,43,449/- for the year 2002-03 with the IEPF. There is no unpaid or unclaimed dividend for the previous years outstanding with the Company.

9. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:

- (i) Change in their Residential status on return to India for permanent settlement.
- (ii) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.

10. The Company has designated an exclusive email ID viz. investorrelations@pvpglobal.com, which would enable the investors/shareholders to post their grievances and monitor its redressal. Any

12. Details of Directors seeking appointment/re-appointment at the forthcoming AGM (pursuant to clause 49 of the Listing Agreement)

At the ensuing AGM, Mr. R. Nagarajan is retiring by rotation and being eligible, offers himself for reappointment as director. In terms of **clause 49 of the Listing Agreement, the profile of Mr. Nagarajan is as under:**

Name of Director	Mr. R. Nagarajan
Date of birth	July 06, 1938
Date of appointment on the Board	March 19, 2001
Qualifications	B.Com (Hons.), CAIIB
Expertise	Over 49 years in banking and finance
Directorships held in other public/private companies	Picturehouse Media Ltd (formerly Telephoto Entertainments Limited). Dhandapani Finance Limited Excel Audit & Management Support Services Private Ltd. Duggar Finance & Investments Limited
Chairmanship/Membership of Committee across public companies	<i>Chairmanship:</i> Audit Committee, Remuneration Committee and Shareholders & Investors Grievances' Committee of PVP Ventures Limited.  Audit Committee and Shareholders & Investors Grievances Committee of Picturehouse Media Ltd (formerly Telephoto Entertainments Limited).  Audit Committee of Dhandapani Finance Limited.
No. of shares held	NIL
Relationship with other directors of the Company	None

member having any grievances can post the same to this email ID for the quick redressal.

11. Further, in terms of the "Green Initiative in the Corporate Governance" taken by the Ministry of Corporate Affairs ("MCA") vide circular no. 17/2011 dated April 21, 2011 read with circular no. 18/2011 dated April 29, 2011, the Company is sending the Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information for the year ended March 31, 2011 to the shareholders, in electronic form, to the email address provided by them and made available to us by the Depositories. However, the shareholders, who have requested to receive the physical copy of these documents, are being sent the above documents, free of cost.

**Directors' Report**

To  
The Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report on the business and operations of the Company together with audited annual accounts for the financial year ended March 31, 2011.

**Consolidated Financial Statements**

(₹ in Thousands)

<b>Particulars</b>	<b>2010-2011</b>	<b>2009-2010</b>
Total Income	56,599	42,004
Operational, Administration and other expenses	28,695	4,876,548
Profit/(Loss) before Depreciation, Interest and Tax	27,904	(48,34544)
Depreciation	2,395	10,466
Interest and Finance Charges	63,556	134,694
(Loss) before Extra ordinary items and income tax	(38,048)	(4,979,704)
(Loss) before tax and Minority Interest	(1,083,301)	(4,982,412)
Provision for taxation	(20,417)	(10,680)
Provision for minority interest	0.00	0.00
(Loss) after tax and minority interest	(1,103,718)	(4,971,732)

**Review of Operations**

The Perambur project of the Company was launched in June 2011 and received very good response from the public. The further details of the project and related development are explained in Note B-3 of the Notes to Accounts. The Company expects to receive substantial cash flows from this Project over the next 5-7 years.

**Dividend**

In view of the losses of the Company, the Board has not recommended any dividend for the financial year 2010-11.

**Debentures held by Platex Limited**

During the year, Platex Limited converted 27,355 Fully Convertible Debentures of ₹ 1,00,000/- each, in terms of the Debenture Subscription Agreement(s) read with the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Madras vide its order dated April 25, 2008. Accordingly, the Company allotted 1,34,09,314 fully paid up equity shares of ₹ 10/- each to Platex Limited at a conversion price of ₹ 204/- per share.

Further, Platex Limited has extended the timelines of redemption/conversion of the balance 13289 Fully

Convertible Debentures of ₹ 1,00,000/- each by March 31, 2012.

**Directors**

As on the date of this Report, the Board of Directors of the Company comprises of three (3) directors, Mr. Prasad V. Potluri, Mr. R. Nagarajan and Mr. N. S. Kumar.

As per the Articles of Association, Mr. R. Nagarajan, retires by rotation in the ensuing AGM and being eligible, offers himself for reappointment.

Brief profile etc. of Mr. R. Nagarajan, as stipulated under Clause 49 of the Listing Agreements, is provided in the notes attached to the Notice calling the AGM.

**Subsidiaries**

As on March 31, 2011 and on the date of this Report, the Company has the following eight (8) subsidiaries:

- New Cyberabad City Projects Private Limited (NCCPPL)
- PVP Energy Private Limited (PEL)
- Maven Infraprojects Private Limited (MIL)
- PVP Business Ventures Private Limited (PBV)
- PVP Corporate Parks Private Limited (PCPL)
- AGS Hotels and Resorts Private Limited (AGR)
- Cuboid Real Estates Private Limited (CRE)
- PVP Business Towers Private Limited (PBT)

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During the year, Picturehouse Media Limited (formerly known as Telephoto Entertainments Limited) and PVP Cinema Private Limited (formerly known as PVP Screens Private Limited) have ceased to be subsidiaries of the Company.

Pursuant to the General Circular No. 2 of 2011 dated February 08, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet etc. for the year ended March 31, 2011, of the above subsidiary companies with the balance sheet of the Company for the year ended March 31, 2011. Further, as required by the above circular, the financial data of these subsidiary companies has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of this Annual Report as **Annexure-I**.

However, the Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective subsidiary companies.

PBV, CRE and PBT had made investments in the equity shares of Jagati Publications Private Limited ("Jagati"), a company engaged in electronic and print media business. During August 2011, the Hon'ble High Court of Andhra Pradesh at Hyderabad had ordered investigation by CBI into the investments made by all the investors of Jagati. Accordingly, CBI conducted search at the offices of PBV, CRE and PBT and the Company and asked to submit certain information. The Company had supplied the information and co-operating with the agency.

### Group

Pursuant to the intimation from the Promoters and Promoters Group, the entities comprising of the Group, in terms of Regulation 3 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, are as follows:

Mr. Prasad V. Potluri  
Mrs. Jhansi Sureddi  
M/s. Platex Limited  
M/s. Maven BPO Services Private Limited  
M/s. Whitecity Infrastructure (India) Private Limited  
M/s. Godavari Infracon Private Limited  
M/s. Waltair Promoters Private Limited

### Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

### Corporate Governance

The Company is committed to maintain the prescribed standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from M/s. V. Mahesh & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

### Auditors' report

The Auditors' Report together with the Audited Accounts for the financial year ended March 31, 2011 read with the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

### Auditors

The Company has received a letter from M/s. CNGSN & Associates, Chartered Accountants, confirming that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. Necessary resolution for their appointment is incorporated in the Notice calling the AGM.

### Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

### Public Deposits

The Company has not accepted/renewed any fixed deposits during the year under review. However, in accordance with the provisions of section 205C (2) of the Companies Act, 1956 and the Rules made

## PVP VENTURES LIMITED

thereunder, the Company on 21.04.2011 deposited the unclaimed and unpaid deposit of ₹ 2,43,449/- with the Investor Education and Protection Fund set up by the Central Government.

### Particulars of employees

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company for the year under review.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are annexed as **Annexure-II** of this Report.

### Responsibility Statement of the Directors

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the

state of affairs of the Company for the financial year ended March 31, 2011 and of the Profit of the Company for the year ended on that date;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

### Acknowledgement

The Board acknowledges with gratitude the co-operation and assistance provided to your Company by its Bankers, Investors, Financial Institutions, Government and Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the Company during the year under review. Your Directors thank the vendors and other business associates for their continued support. Your directors are thankful to the shareholders for their continued patronage.

For and on behalf of the Board of Directors

**Prasad V. Potluri**

(Chairman and Managing Director)

Chennai

August 25, 2011

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### ANNEXURE - I

**Financial information of the subsidiary companies as required by the General Circular No. 2 of 2011 issued by the Ministry of Corporate Affairs, Government of India, forming part of the Directors' Report for the year ended March 31, 2011**

Name of the Subsidiary	NCCPL	PEL	PVPCP	AGS Hotels	MIPL	PVPBV	Cuboid	PVPBT
<b>Particulars</b>								
Paid up capital	10,100	56,028	5,000	35,810	100	100	100	100
Reserves & Surplus	(9,46,544)	(7,81,874)	3,33,195	(31,899)	(51,479)	(222)	(120)	3,535
Total Assets	25,47,087	6,07,694	1,76,617	3,966	27	77,408	12	2,45,632
Total Liabilities	34,83,530	15,72,071	3,221	56	51,406	5,50,199	3,50,032	7,51,696
Investments	Nil	2,38,531	1,64,800	Nil	Nil	5,49,999	3,50,000	5,09,700
Turnover	Nil	Nil	1,713	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) Before Taxation	(359)	(12,03,458)	(42)	(78)	(6)	(26)	(7)	3,665
Provision for Taxation	Nil	(1,891)	215	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) After Taxation	(359)	(12,05,349)	173	(78)	(6)	(26)	(7)	3,665
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

#### **Abbreviations used:**

NCCPL-New Cyberabad City Projects Private Limited, PEL-PVP Energy Private Limited, PVPCP-PVP Corporate Parks Private Limited, AGS Hotels- AGS Hotels & Resorts Private Limited, MIPL-Maven Infraprojects Private Limited, PVPBV-PVP Business Ventures Private Limited, Cuboid-Cuboid Real Estates Private Limited, PVPBT- PVP Business Towers Private Limited

#### **Notes:**

- All the above information is as on March 31, 2011.
- All the above investments are in companies other than subsidiary companies.
- Investments made by PVPBV is in M/s. Jagati Publications Private Limited of 15,27,776 (PY-15,27,776) equity shares of ₹10 each fully paid @ ₹ 360 per share.
- Investments made by Cuboid is in M/s. Jagati Publications Private Limited of 9,72,222 (PY-9,72,222) equity shares of ₹10 each fully paid @ ₹ 360 per share.
- Investments made by PVPBT is in M/s. Jagati Publications Private Limited of 11,38,055 (PY-5,55,555) equity shares of ₹10 each fully paid @ ₹ 360 per share and in M/s. Mimosa Enterprises Private Limited of 3,33,333 (Previous year-3,33,333) equity shares of ₹10 each fully paid @ ₹ 300 per share
- Investments made by PEL includes:
  - 10,90,235 (Previous year-8,016,235) equity shares of ₹10 each fully paid up of PVP Ventures Limited, the Holding Company @ ₹ 208 per share acquired through Open Offer and from the erstwhile promoters of the Company
  - 6,85,487 (Previous year- 6,85,487) equity shares of ₹10 each fully paid up of Telephoto Entertainments Limited @ ₹ 31.50 per share acquired through Open Offer

For and on behalf of the Board of Directors

**Prasad V. Potluri**

(Chairman and Managing Director)

Chennai, August 25, 2011



**PVP VENTURES LIMITED**

**Annexure-II**

**Disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988**

<b>A.</b>	<b>Conservation of Energy</b>			
(a)	Energy conservation measures taken	Your Company uses energy efficient equipments in its offices and other premises. Periodic tests are also conducted on equipments like air conditioners and lighting and necessary steps are being taken to conserve energy.		
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	NA		
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	NA		
(d)	Total energy consumption and energy consumption per unit of production	NA		
<b>B.</b>	<b>Technology absorption</b>			
(e)	efforts made in technology absorption as per Form B of the Annexure	NA		
<b>C.</b>	<b>Foreign exchange earnings and outgo</b>			
(f)	activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	The Company does not have any export as such, as the immovable properties are incapable of being exported. However, the Company intends to take initiatives, alongwith its JDA Partners to sell the immovable properties to the customers abroad once its projects take off.		
(g)	Total foreign exchange used and earned			(₹ in Lakhs)
		<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
		Foreign exchange earnings	NIL	NIL
		Foreign exchange outgo:		
		Travel related Expenses	4.35	2.05
		Other Expenses	9.18	11.66
		<b>Total</b>	<b>13.53</b>	<b>13.71</b>

For and on behalf of the Board of Directors

**Prasad V. Potluri**  
(Chairman and Managing Director)

August 25 2011  
Chennai

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### Report on Corporate Governance

PVP Group believes that corporate governance is a way of life and a system of accountability, transparency and business ethics. It goes well beyond conforming to Clause 49 of the Listing Agreement with the stock exchanges.

In the following paragraphs, we outline PVP's conformity with the corporate governance code laid out through Clause 49 of the Listing Agreement.

#### Board Composition and the meetings

The Board of Directors of the Company, as on the date of this Report, comprises of three (3) directors with Mr. Prasad V. Potluri as Chairman & Managing

Director and Mr. R. Nagarajan and Mr. N.S. Kumar are the Independent & Non-Executive directors.

No Director is a member in more than ten committees, or the Chairman of more than five committees across all public limited companies in which he is a Director.

During the financial year, Five (5) board meetings were held on May 03, 2010, July 30, 2010, August 16, 2010, November 12, 2010 and January 22, 2011.

Attendance of Directors at Board Meetings for the financial year 2010-2011, and at the AGM and the number of directorships and memberships/ chairmanships of Board Committees as on March 31, 2011 and details of Board meetings are given below:

Name of the Director	DIN	Attendance		No. of Directorships and Committee Memberships/ Chairmanships including those of PVP Ventures Limited		
		Board Meetings	Last AGM	Other Directorships#	Committee Memberships@	Committee Chairmanships@
Mr. Prasad V. Potluri	00179175	2*	Yes	1	1	Nil
Mr. R. Nagarajan	00443963	5	Yes	3	1	3
Mr. N. S. Kumar	00552519	5	Yes	3	2	Nil

\* includes meetings attended through tele-conference.

# Other directorships excludes directorships in Indian private limited companies, section 25 companies, foreign companies, and alternate directorships.

@ Represents Memberships/Chairmanships of Audit Committee & Shareholders/Investors Grievance Committee.

#### Board Procedures

The Board of the Company is regularly presented with all information, in specific, the information stipulated under Clause 49 of the Listing Agreement to ensure adequate disclosure and a transparent decision-making. Detailed agenda with explanatory notes and information is circulated among the members of the Board, in advance of each meeting. Adequate presentations are also made as and when required to the Board covering all details. However, in special circumstances, additional items are also considered with the permission of the Chairman. Urgent matters are also considered and adopted by passing resolutions through circulation, which are noted at the next meeting of the Board.

#### Code of Conduct for Directors & Senior Management

A code of conduct as applicable to the Directors and the designated senior management of the Company had been approved by the Board, which is being abided by them. A declaration to this effect from the Chairman & Managing Director of the Company is given below:

I confirm that the Company has obtained confirmation from all its directors and the designated senior management that they have complied with the provisions of the Code of Conduct, as may be applicable to them, during the financial year 2010-2011.

#### Prasad V. Potluri

(Chairman & Managing Director)

Hyderabad

May 27, 2011

## PVP VENTURES LIMITED

### Committees of the Board

#### (I) Audit Committee

As on March 31, 2011, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N.S. Kumar, all independent directors. The Company Secretary of the Company acts as the Secretary of this Committee.

This Committee inter alia, recommends appointment of statutory auditors; reviews Company's financial reporting processes and systems; reviews financial and risk management policies; Company's financial statements, including annual and quarterly financial results; and financial accounting practices & policies. The scope of the audit committee has been defined by the Board of Directors in accordance with Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Internal Auditors and representatives of Statutory Auditors are invited to the meetings of the Committee, as and when required. Chief Financial Officer of the Company is the permanent invitee of this Committee.

Meetings and attendance of the Audit Committee during the year

Director	No. of Meetings held (including adjourned meetings, if any)	No. of Meetings attended
Mr. R. Nagarajan	4	4
Mr. N. S. Kumar	4	4

#### (II) Remuneration Committee

As on March 31, 2011, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N.S. Kumar, all independent directors. The Company Secretary of the Company acts as the Secretary of this Committee. However, during the year, no meeting of the Remuneration Committee was held.

*Remuneration paid to the Directors during the year 2010-11*

The Company has not paid any remuneration to its non-executive directors, except the sitting fees paid for attending the meetings of the Board and Audit Committee @ ₹ 20,000 per meeting. The Company does not have any employee stock option scheme in force.

The details of sitting fees paid to the Directors are as follows:

Mr. Prasad V. Potluri	Nil
Mr. R. Nagarajan	₹ 1,80,000
Mr. N. S. Kumar	₹ 1,80,000

Details of equity shares of the Company held by Directors as on March 31, 2011

Director	No. of shares @ ₹ 10 each
Mr. Prasad V. Potluri	NIL
Mr. R. Nagarajan	NIL
Mr. N.S. Kumar	NIL

#### (III) Shareholders' /Investors' Grievance Committee

As on March 31, 2011, this Committee comprised of Mr. R. Nagarajan (Chairman), Mr. N. S. Kumar and Mr. Prasad V. Potluri. It approves the transfer and transmission of securities; issuance of duplicate share certificates, redressal of investors' grievances. It also suggests and monitors measures to improve investor relations.

During the year, no meeting of the Shareholders' / Investors' Grievance Committee was held as there were no complaint/grievances received from any shareholder of the Company. Mr. Dhiraj Kumar Sinha is the Compliance Officer of the Company.

#### Disclosures

- (i) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large. The Company's related party transactions are generally with its subsidiaries and associate companies. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, legal requirements and capital requirements of these subsidiaries and associate companies. All related party transactions are intended to further the business interests of the Company.
- (ii) All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.

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- (iii) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- (iv) In terms of Clause 49(V) of the Listing Agreement, the Chairman & Managing Director made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.
- (v) The Company has adopted an Insider Trading Code as per the model code prescribed under the SEBI (Insider Trading) Regulations as amended upto date. All Directors/designated employees are required to disclose related information periodically as defined in the Code. The Company Secretary has been designated as the Compliance Officer under the Code.

### General Body Meetings

#### A. Annual General Meetings

The Annual General Meetings of the Company are held at Chennai. The details of the AGM held during the last 3 years and the special resolutions passed thereat are as follows:

Date of AGM & Time	Subject matter of the special resolution(s)
September 29, 2008 (10:15 AM)	Delisting of shares from Madras Stock Exchange Limited
September 30, 2009 (9.15 AM)	Nil
September 30, 2010 (10.00 AM)	Nil

#### B. Extra-Ordinary General Meetings

During the year, no Extra-Ordinary General Meeting was held.

#### C. Postal Ballot

During the year, there were no resolutions passed through Postal Ballot for obtaining approval of the shareholders through postal ballot:

### Means of Communication

The Company announces its quarterly/half-yearly/annual results within the prescribed period and publishes the same in Business Standard (*in English*) and Makkal Kural (*in Tamil*).

Further, in terms of the "Green Initiative in the Corporate Governance" taken by the Ministry of Corporate Affairs ("MCA") vide circular no. 17/2011 dated April 21, 2011 read with circular no. 18/2011 dated April 29, 2011, the Company will send the Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information for the year ended March 31, 2011 to the shareholders, in electronic form, to the email address provided by them and made available to us by the Depositories.

However, the shareholders, who have requested to receive the physical copy of these documents, are being sent the above documents, free of cost.

### General Shareholders Information

A section on the 'General Shareholder Information' is annexed and forms part of this Report.

### Corporate Governance Certificate

A Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

### CEO and CFO Certification

The requisite certificate on financial reporting and internal controls to the Board in terms of Clause 49 is annexed to this Report.

## PVP VENTURES LIMITED

### Status as regards adoption/non-adoption of non-mandatory requirements under Clause 49

Provisions of non-mandatory requirements	Status
<p><b>The Board</b></p> <p>(i) A non-executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.</p>	Not applicable as the Company has an Executive Chairman.
<p>(ii) Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company.</p>	Not adopted
<p>(iii) The company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an independent director</p>	All the Independent Directors have requisite qualifications and experience in their respective fields.
<p><b>Remuneration Committee</b></p>	Adopted
<p><b>Shareholder Rights</b> A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders</p>	Not adopted
<p><b>Audit qualifications</b> Company may move towards a regime of unqualified financial statements</p>	Adopted
<p><b>Training of Board Members</b></p>	All Board members have requisite qualifications and experience in their respective fields. They are well aware of the business model of the Company as well as its risk profile.
<p><b>Mechanism for evaluating non-executive Board Members</b></p>	Not adopted
<p><b>Whistle Blower Policy</b></p>	Not adopted

For and on behalf of the Board of Directors

**Prasad V. Potluri**  
(Chairman and Managing Director)

August 25, 2011  
Chennai

## 20th Annual Report 2010-2011

### General Shareholder Information

#### Registered Office

KRM Centre, 9<sup>th</sup> Floor, Door No. 2, Harrington Road,  
Chetpet, Chennai-600031  
Phone: +91-44-30285570, Fax: +91-44-30285571

#### Investor Helpline

The Company Secretary  
PVP Ventures Limited  
KRM Centre, 9<sup>th</sup> Floor, Door No. 2, Harrington Road,  
Chetpet, Chennai-600031,  
Phone: +91-44-30285570, Fax: +91-44-30285571  
Email: [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com)

#### Registrar and Share Transfer Agents

M/s. Karvy Computershare Private Limited  
Plot No. 17 to 24, Vithalrao Nagar,  
HITECH City Road, Madhapur, Hyderabad-500086  
Phone: +91-40-23420818-828  
Fax: +91-40-23420814,  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Karvy is also the depository interface of the Company  
with both NSDL and CDSL

#### Date, place and time of Annual General Meeting

September 28, 2011 at 10.00 AM  
"Rani Seethai Hall", No.603 Anna Salai,  
Chennai – 600 006

#### Book Closure

September 19, 2011 to September 28, 2011  
(both days inclusive)

#### Stock Market data

Monthly high and low quotations, in Rupees, of the shares traded at BSE and NSE from April 2010 to March 2011 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	Highest	Lowest	Highest	Lowest
April 2010	19.70	17.50	19.80	17.50
May 2010	18.00	12.20	17.75	13.00
June 2010	15.40	13.15	15.45	13.00
July 2010	19.14	12.95	19.40	12.00
August 2010	16.35	13.30	16.50	13.25
September 2010	15.85	12.50	15.90	12.90
October 2010	14.12	11.70	14.15	11.70
November 2010	14.50	9.26	14.50	9.35
December 2010	12.60	7.60	12.50	7.25
January 2011	15.26	10.05	15.35	10.75
February 2011	11.89	8.60	12.00	8.60
March 2011	9.65	8.00	9.80	8.25

#### Financial Calendar 2011-12

Adoption of Quarterly Results for the Quarter ending:  
June 30, 2011 August, 2011  
September 30, 2011 November, 2011  
December 31, 2011 February, 2012  
March 31, 2012 May, 2012

Instead of publishing unaudited quarterly financial results for the last quarter, the Company may also opt to publish audited annual accounts by May 30, 2012

#### Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE'), the National Stock Exchange of India Limited ('NSE').

The GDRs of the Company are listed on the main market of the London Stock Exchange Limited, London.

The annual listing fees for the year 2011-12 have been paid to all the above Stock Exchanges.

#### Reuters code:

Bombay Stock Exchange- PVP  
National Stock Exchange- PVP  
London Stock Exchange- PVP

#### Bloomberg code:

Bombay Stock Exchange- PVPV:IN  
National Stock Exchange- PVP:IN

## PVP VENTURES LIMITED

### Distribution of Shareholding as on March 31, 2011

No. of shares	No. of shareholders	% of shareholders	No. of shares	% to total Equity shareholding
1-5000	33976	95.83	17985010	7.34
5001-10000	752	2.12	5824904	2.38
10001- 20000	374	1.05	5442849	2.22
20001-30000	135	0.38	3374544	1.38
30001-40000	49	0.14	1702844	0.69
40001- 50000	38	0.11	1751156	0.71
50001-100000	64	0.18	4628703	1.89
100001 & above	67	0.19	204342691	83.39
<b>Total</b>	<b>35455</b>	<b>100.00</b>	<b>245052701</b>	<b>100.00</b>

Shareholding in dematerialised form is 99.86% and shareholding in physical mode is 0.14%.

### Shareholding Pattern as on March 31, 2011

Category of Shareholder	No. of shares held	%age of shareholding
Promoters	14,09,90,766	57.53
Mutual Funds/ UTI	300	0.00
Financial Institutions/ Banks	4,46,340	0.18
Foreign Institutional Investors	37,50,145	1.53
Bodies Corporate	2,36,47,955	9.65
Non Resident Indians	46,70,792	1.91
Foreign Bodies Corporate	2,45,05,270	10.00
Custodian of GDRs	92,218	0.04
Resident Individuals	4,69,48,915	19.16
<b>TOTAL</b>	<b>24,50,52,701</b>	<b>100.00</b>

#### Outstanding GDRs data

As on March 31, 2011, 922180 GDRs represented by 92218 underlying equity shares were outstanding (10 GDRs represent 1 Equity Share of the Company). These GDRs are listed on the main market of the London Stock Exchange Limited, London under the symbol of "PVP".

#### Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified practicing Company Secretary carries out the Secretarial Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and physical with the total listed capital and paid-up capital. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

#### Share Transfer System

In respect of shares upto 200 per folio, transfers are affected on a weekly basis. For others, the transfers are affected within limits prescribed by law. The average turnaround time for processing registration of transfers is 15 days from the date of receipt of valid requests. The processing activities with respect to requests received for dematerialisation are completed within 8-10 days.

#### Unclaimed dividend for the previous years

The Company during the financial year had transferred the unclaimed dividend for the year 2002-03 to the IEPF. There is no unpaid or unclaimed dividend for the previous years outstanding with the Company.

For and on behalf of the Board of Directors

**Prasad V. Potluri**

(Chairman and Managing Director)

August 25, 2011, Chennai

## 20th Annual Report 2010-2011

### CEO and CFO Certification

May 27, 2011

The Board of Directors

PVP Ventures Limited

Dear Sirs,

We, Prasad V. Potluri, Chairman & Managing Director and Mr. A. Praveen Kumar, GM-Finance and Accounts of PVP Ventures Limited ("**the Company**") certify to the Board, in terms of the requirement of Clause 49(V) of the listing agreement, that we have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2011 and that to the best of our knowledge and belief, we state that:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (iii) There are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- (iv) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and the steps taken for or proposed to be taken for rectifying these deficiencies.
- (v) We do further certify that during the year there has been:
  - (a) no significant changes in internal controls during the year;
  - (b) no significant changes in accounting policies during the year; and
  - (c) no instances of significant fraud of which we have become aware.

Thanking you,

Yours truly,

**Prasad V. Potluri**

(Chairman & Managing Director)

**A. Praveen Kumar**

(GM-Finance & Accounts)

### CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of M/s. PVP Ventures Limited

We have examined the compliance of conditions of corporate governance by PVP Ventures Limited ("**the Company**") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review of the relevant records and documents furnished to us and the report on Corporate Governance as approved by the Board of Directors and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements "except as to the requirements of the composition of Audit Committee, which consists of only two members instead of the mandatory three members". We also state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records of the Company.

**V. Mahesh**

Company Secretary in Practice

CP No.2473

Place: Chennai

Date: August 24, 2011



## Management's Discussion and Analysis

### Cautionary Statements

Statements in this Management Discussion and Analysis may contain forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. These statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Important developments that could affect the company's operations include a downtrend in the real estate sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigations, exchange rate fluctuations, interest and other costs.

### Overview FY 2010-11

During the year 2010-11, the real estate market shown signs of recovery with revival in demand for affordable housing. While demand for residential housing remains healthy across segments, real estate players need to develop and position their offerings correctly to best leverage the market opportunities, which are today largely governed by end-user demand.

### Future Outlook, Industry structure and development

The increases in interest rates, rising inflation and slow down of global economy from June 2011, will increase the challenges for the real estate sector in future.

However, despite these challenges, the Perambur project of the Company was launched in June 2011 and has received very good response from the public. The further details of the project and related development are explained in Note B-3 of the Notes to Accounts. The Company expects to receive substantial cash flows from this Project over the next 5-7 years.

### Challenges, Risks and Concerns

The Company as landowner of the Perambur project is exposed to different types of risks such as credit risk, market risk (including liquidity risk, interest rate

risk and foreign exchange risk), operational risk and legal risk. The Company monitors credit and market risks regularly. Legal risk is subject to the review of the Company's legal department and external advisers. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company aims to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

### Internal Control Systems and their Adequacy

The Company has an appropriate internal control system for the business processes, with regard to the efficiency of operations, financial reporting, compliance with applicable laws and regulations. Our Internal Auditors conducts quarterly internal audits encompassing all processes of the Company like statutory compliances, payroll, purchase, fixed assets, etc. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit.

### Discussion on Financial Performance

#### Reserves & Surplus

The Reserves & Surplus have increased from ₹ 51,497.03 lac to ₹ 77,511.10 lac due to conversion of FCDs into equity shares of ₹ 10 each at a conversion price of ₹ 204 each.

#### Secured Loans

Secured loans have decreased from ₹ 5,913.16 lac to ₹ 2,363.94 lac due to repayment during the year.

#### Unsecured Loans

The unsecured loan from Platex Limited has decreased from ₹ 40,644.00 lac to ₹ 13,289.00 lac due to conversion of 27355 FCD of ₹ 100000 each held by Platex Limited into equity shares.

#### Fixed Assets

The Fixed Asset Schedule shows a net Goodwill amount of ₹ 10,626.19 lacs, arising as a result of acquisition of PVPPL. The net block of fixed assets decreased due to amortization of goodwill @ 10% per annum.

#### Investments

The Company, during the year, decreased the provision for diminution in value of investment from

## 20th Annual Report 2010-2011

₹ 200 lac to ₹ 100 lac for the investments held in Picturehouse Media Limited due to increase in its share price.

### Inventories

As at March 31, 2011, lands owned by the Company at Perambur, Chennai and Raikuntha, Hyderabad are shown as inventories (WIP) with a book value of ₹ 8429.71 lac.

However, w.e.f. June 01, 2011, the Company classified the land at Perambur into fixed assets.

### Other Current Assets

Other Current Assets are deposits, interest accrued on debentures/deposits and advance income tax of ₹ 51.08 lacs.

### Results of Operations

Income from operations is NIL for the year under review since the Project of the Company was yet to be launched by March 31, 2011.

Total Administrative and other expenses stand at ₹ 240.90 lacs. An analysis of the various Administrative and other expenses is given below:

### ADMINISTRATION AND OTHER EXPENSES

	₹ in Lacs	% of total
Salaries, Wages and Bonus	33.48	13.90%
Contribution to Provident Fund and Other Funds	0.56	0.23%
Staff Welfare Expenses	2.06	0.85%
Rent	28.86	11.98%
Power and Fuel	4.01	1.66%
Communication	5.56	2.31%
Legal and Professional Charges	15.14	6.28%
Audit Fees	14.34	5.95%
Other Services Fee	1.27	0.53%
Internal Audit Fees	1.10	0.46%
Advertising Expenses	0.00	0.00%
Books and Periodicals	0.33	0.14%
Printing & Stationery	4.40	1.83%
Postage and Telegrams	3.36	1.40%
Listing Fees & Other Expenses	15.01	6.23%
Security Charges	2.76	1.15%
Office Expenses	7.51	3.12%
Business Development Expenses	6.78	2.81%
Director Sitting Fees	3.60	1.49%
Repairs and Maintenance :		
- Others	10.37	4.30%
Insurance	1.11	0.46%
Rates and Taxes	9.62	3.99%
Travelling and conveyance	35.58	14.77%
Bank charges and commission	0.21	0.09%
Loss on sale of fixed assets	32.22	13.38%
Miscellaneous Expenses	1.64	0.68%
<b>Total</b>	<b>240.90</b>	<b>100.00%</b>

Interest & Finance charges represent an amount of ₹ 608.98 lac on the term loans obtained from L&T Infrastructure Finance Company Limited.

For and on behalf of the Board of Directors

**Prasad V. Potluri**

(Chairman and Managing Director)

August 25, 2011  
Chennai

# **Standalone Financial Statements and Notes**

# For Members Use

## PVP VENTURES LIMITED

### AUDITORS REPORT TO THE MEMBERS OF PVP VENTURES LIMITED

To

The Shareholders  
PVP Ventures Limited  
Chennai

1. We have audited the attached Balance Sheet of PVP Ventures Limited as at 31<sup>st</sup> March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed there to. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (a) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this

Report are in agreement with the Books of Account;

- (d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt by this report, comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representation received from the Directors and taken on records by the Board of Directors, we report that, none of the Directors is disqualified as on 31.03.2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) *Attention is drawn to the following material matters:*
  - (i) *A(a)(c) and B2 in notes on accounts of Schedule 15, with regard to the preparation of financial statements on going concern. The Company has incurred cash losses (before extraordinary income) in the current year, waiver of the interest payable for the year on the debentures by the debenture holder due to the financial position of the Company as stated in Note B7 in notes on accounts, provisions made in the investments and advances given to the subsidiary companies as stated in note B4 in notes on account, transfer of all employees to the other group company as stated in note B10 in notes on accounts, and other related factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.*
  - (ii) *Note B4 in notes on accounts of Schedule 15, with regard to the carrying the investment as long term and advances given to the subsidiary companies and bodies corporate on which the provisions already made. Any additional provisions to be made, for the shortfall, if any, on these investment and advances are not quantified at this stage.*

## 20th Annual Report 2010-2011

- (iii) *Note B9 with regard to the Income Tax Demands. Pending outcome of the results of appeal the company has not provided for the Income tax demands. The ultimate provisions to be made, if any, on the outcome of the appeals are not quantified at this stage.*
- (g) In our opinion and to the best of our information and according to the explanations given to us, *subject to the effect on the financial statements on the matters referred to in the preceding paragraph*, the said accounts read with the accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March 2011,
- (ii) In the case of Profit and Loss Accounts, of the PROFIT of the Company for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **M/s CNGSN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**R. THIRUMALMARUGAN**  
PARTNER

Membership No.200102  
Firm Registration No. 004915S

Camp: Hyderabad  
Date: 27<sup>th</sup> May, 2011

**ANNEXURE TO AUDITORS REPORT**

(Referred to in Paragraph 3 of our Report of even date)

1. a. In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b. As per the information and explanations provided to us, the Company has physically verified the fixed assets during this year and there is no material discrepancies noticed on such verification.  
c. As per the information and explanation provided to us, substantial parts of fixed assets have not been disposed off during the year, which affects the going concern.
2. a. According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals.  
b. According to the information and explanations given to us the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.  
c. According to the information and explanation given to us the company is maintaining proper records of inventory and there are no material discrepancies were noticed on physical verification.
3. a. According to the information and explanations given to us, the Company has granted, unsecured loans to seven group companies, the parties covered in the register maintained under section 301 of the Companies Act, 1956. It is informed that these advances are recoverable on demand. The total outstanding as on the balance sheet date is ₹ 31163.04 lakhs. Therefore the rate of interest, terms and conditions of loans, receipt of principal and overdue amounts are not applicable.  
b. According to the information and explanations given to us, the Company has taken unsecured loans from group companies, the parties covered in the register maintained under section 301 of the Act. It is informed that these loans are repayable on demand and total outstanding as on the balance sheet date is ₹ 4765.66 lakhs. Therefore the rate of interest, terms and conditions, repayment are not applicable. Further, whether these loans are prima facie prejudicial to the interest of the Company is not ascertainable at this stage.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.  
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from public during this year. Therefore the provisions of section 58A, 58AA of the Act and any contravention of these provisions for the year under audit are not applicable.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. As per the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.

## 20th Annual Report 2010-2011

9. a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues with appropriate authorities, like Provident Fund, Investor Education and Protection Fund, Employee's State insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Cess, wherever applicable, except few delays in depositing TDS remittances and property tax. There are no undisputed Statutory outstanding dues as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they become payable.  
b. According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute, except the Income Tax demands disputed before the CIT (Appeals) for the Asst year 2006-07 ₹ 473.00 lakhs and disputed before Assessing Officer and CIT(Appeals) for the Asst year 2008-09 ₹ 18731.36 lakhs.
10. In our opinion and according to the information and explanation given to us, the accumulated loss of the Company as at the end of the financial year is more than 50% of its networth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that there are no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanation given to us, the Company has made allotment of shares by way of conversion of Debentures into equity shares as stated in note B6 in notes on accounts of Schedule 15. The price at which the said allotment has been made is not prejudicial to the interest of the company.
19. According to the information and explanation given to us, the Company has not issued any debentures during the year and hence creation of security for issue of debenture does not arise.
20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M/s CNGSN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**R. THIRUMALMARUGAN**  
PARTNER

Membership No.200102  
Firm Registration No. 004915S

Camp: Hyderabad  
Date: 27<sup>th</sup> May, 2011



**PVP VENTURES LIMITED**

**Balance Sheet As At March 31, 2011**

(₹ in Thousands)

	Schedule	As at March 31, 2011		As at March 31, 2010	
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
(a) Capital	1	2,450,527		2,316,434	
(b) Reserves and Surplus	2	7,751,110		5,149,703	
			10,201,637		7,466,137
<b>2. Loan Funds</b>					
(a) Secured Loans	3	236,394		591,316	
(b) Unsecured Loans	4	1,643,210		4,416,951	
			1,879,604		5,008,267
<b>TOTAL</b>			<b>12,081,241</b>		<b>12,474,404</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>	5				
(a) Gross Block		1,676,140		1,680,643	
(b) Less : Depreciation & Amortisation		458,924		307,002	
(c) Net Block			1,217,216		1,373,641
<b>2. Investments</b>	6		4,982,410		4,972,410
<b>3. Current Assets, Loans and Advances</b>					
(a) Inventories	7	842,971		841,506	
(b) Cash and Bank Balances	8	96,660		722,740	
(c) Other Current Assets	9	5,108		11,580	
(d) Loans and Advances	10	2,431,574		2,040,464	
		3,376,313		3,616,290	
<b>Less : Current Liabilities and Provisions</b>	11				
(a) Liabilities		1,053,422		1,009,820	
(b) Provisions		19,783		3,103	
		1,073,205		1,012,923	
<b>Net Current Assets</b>			2,303,108		2,603,367
Profit and Loss Account			3,578,507		3,524,985
<b>TOTAL</b>			<b>12,081,241</b>		<b>12,474,404</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	15				

The schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

Place : Hyderabad  
Date : May 27, 2011

## 20th Annual Report 2010-2011

Profit And Loss Account For Year Ended March 31, 2011

(₹ in Thousands)

	Schedule	For the Year Ended March 31,2011	For the Year Ended March 31,2010
<b>I. Income</b>			
Other Income	12	13,242	2,553
		<b>13,242</b>	<b>2,553</b>
<b>II. Expenditure</b>			
Cost of Inventory sold		-	2,069
Administration and Other Expenses	13	24,090	81,436
Interest and Finance Charges	14	61,284	116,540
Provision for Diminution in value of Investments		-	3,000,000
Provision for Doubtful Advances		-	516,016
Depreciation		858	1,385
		<b>86,231</b>	<b>3,717,446</b>
<b>III. Profit &amp; (Loss) before Taxation &amp; Extraordinary Items</b>		<b>(72,989)</b>	<b>(3,714,893)</b>
Extraordinary Income (Refer Note B-8 of Schedule 15)		<b>190,000</b>	-
<b>IV. Profit &amp; (Loss) before taxation</b>		<b>117,011</b>	<b>(3,714,893)</b>
Provision for Taxation			
- Income Tax for Earlier Years		-	(1,380)
- Income Tax for the year		(19,783)	-
- Provision for Tax no longer required		1,043	-
<b>V. Profit &amp; (Loss) after taxation</b>		<b>98,271</b>	<b>(3,716,273)</b>
Balance brought forward		(3,524,986)	343,080
Less: Adjusted towards Amortisation of Goodwill (Refer Note B-5 on Schedule 15)		151,792	151,792
<b>VI. Balance carried to Balance Sheet</b>		<b>(3,578,507)</b>	<b>(3,524,985)</b>
Earning Per Share after extraordinary Items - Basic and Diluted (₹) (Refer Note B-13 in Schedule 15)		0.42	(16.04)
<b>Significant Accounting Policies and Notes to Accounts</b>	15		

The schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For **CNGSN & Associates**

Chartered Accountants  
Firm.Reg.No. 004915S

**R. Thirumalmarugan**

Partner  
Membership No : 200102

Place : Hyderabad  
Date : May 27, 2011

For and on behalf of the Board of Directors

**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

**PVP VENTURES LIMITED**

**Cash Flow Statement for the year ended March 31, 2011**

(₹ in Thousands)

	<b>Year Ended March 31, 2011</b>	<b>Year Ended March 31, 2010</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net/(Loss) Profit before extraordinary items &amp; taxation</b>	(72,989)	(3,714,893)
<b>Adjustments for operating activities:</b>		
Depreciation	858	1,385
Interest income	(533)	(1,242)
Interest and Finance charges	61,284	116,540
Bad debts and provision for doubtful advances	-	516,016
Loss on sale of fixed assets	3,222	1,640
Income from Investments	-	(736)
Provision no longer required	(10,000)	-
Provision for diminution in value of investments	-	3,000,000
<b>Operating profit before Working Capital Changes</b>	<b>(18,158)</b>	<b>(81,289)</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventory	(1,465)	2,069
Decrease/(Increase) in Loans and Advances	(391,112)	1,466,716
Decrease/(Increase) in Other Assets	6,472	36
Increase/(Decrease) in Liabilities	41,540	(2,064)
<b>Cash generated from operations</b>	<b>(344,565)</b>	<b>1,466,757</b>
Income tax paid	-	(1,758)
<b>Net Cash from / (used in) Operating Activities before extraordinary items</b>	<b>(362,723)</b>	<b>1,383,710</b>
Compensation received	190,000	-
<b>Net Cash from / (used in) Operating Activities after extraordinary items</b>	<b>(A) (172,723)</b>	<b>1,383,710</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(331)	(247)
Proceeds from sale of fixed assets	889	1,535
Proceeds from sale of investments	-	5,859
Interest income	533	1,242
<b>Net cash from/(used in) investing activities</b>	<b>(B) 1,091</b>	<b>8,389</b>

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(₹ in Thousands)

	Year Ended March 31,2011	Year Ended March 31,2010
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long term borrowings	-	(338,899)
Proceeds from Long term borrowings	(38,241)	-
Proceeds from borrowings	-	-
Repayment of borrowings	(354,923)	(218,466)
Interest paid	(61,284)	(116,540)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(454,447)</b>	<b>(673,905)</b>
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(626,080)</b>	<b>718,193</b>
Cash and cash equivalents at the beginning of the year	722,740	4,547
<b>Cash and cash equivalents at the end of the year</b>	<b>96,660</b>	<b>722,740</b>

Non cash movement in capital, investment & current assets are not considered in above cash flow statement.

For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

Place : Hyderabad  
Date : May 27, 2011

**PVP VENTURES LIMITED**

**Schedules forming part of Balance Sheet**

(₹ in Thousands)

	<b>March 31,2011</b>	<b>March 31,2010</b>
<b>Schedule 1</b>		
<b>CAPITAL</b>		
<b>Authorised</b>		
300,000,000 Equity Shares of ₹ 10 each	3,000,000	3,000,000
<b>Issued, Subscribed and Paid-up</b>		
245,052,701 (2010: 231,643,387) equity shares of ₹ 10 each (Out of these, 132,612,766 (2010: 143,708,722) equity shares of ₹ 10 each are held by M/s. Platex Limited, the holding company)	2,450,527	2,316,434
Of the above:		
a) 13,409,314 equity shares of ₹ 10 each fully paid up in cash have been issued to Platex Limited upon conversion of 27,355 FCDs of ₹ 100,000 each at conversion price of ₹ 204 per share in terms of the scheme of amalgamation.		
b) 173,759,567 equity shares of ₹ 10 each fully paid-up have been issued pursuant to the Scheme of Amalgamation of PVP Ventures Private Limited with the Company.		
c) 6,120,400 equity shares of ₹ 10 each have been allotted by way of bonus shares, by capitalising securities premium.		
d) 878,236 equity shares of ₹ 10 each have been allotted pursuant to a contract without payment being received in cash.		
e) 694,444 equity shares of ₹ 10 each have been allotted consequent to issue of equivalent number of Global Depository Receipts (Out of which 92,218 shares are outstanding pending conversion)		
f) 32,144,940 equity shares of ₹ 10 each have been allotted to the shareholders of Buckingham Real Estate and Asset Developers Limited (BREAD), pursuant to the scheme of amalgamation between BREAD and the Company in the ratio of 642 shares of the company for every 1 share of BREAD.		
g) 22,200 equity shares of ₹ 10 each have been allotted under Employee Stock option plan 1999.		
<b>Total</b>	<b>2,450,527</b>	<b>2,316,434</b>

## 20th Annual Report 2010-2011

### Schedules forming part of Balance Sheet

(₹ in Thousands)

	March 31,2011	March 31,2010
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Opening Balance	5,149,703	5,149,703
Addition during the year	2,601,407	-
Closing Balance	<b>7,751,110</b>	<b>5,149,703</b>
<b>Total</b>	<b>7,751,110</b>	<b>5,149,703</b>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
From Others - L & T Infrastructure Finance Company Limited		
- Term Loan	236,394	590,988
[Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited]		
Part of the shares held by PVP Energy Private Limited has been given as collateral security and the same is guaranteed by the promoters		
- Hire Purchase Loans	-	328
[Secured by hypothecation of respective vehicles]		
<b>Total</b>	<b>236,394</b>	<b>591,316</b>
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
(a) From other than banks		
13,289 (2010: 40,644), 14.5% Redeemable Fully Convertible Debentures of ₹ 100,000 each	1,328,900	4,064,400
(Refer Note B-6 of Schedule 15)		
(b) Loans		
- From Subsidiary Companies	306,810	345,051
- From Other Body Corporate	7,500	7,500
<b>Total</b>	<b>1,643,210</b>	<b>4,416,951</b>

## Schedules forming part of Balance Sheet

## Schedule 5

## FIXED ASSETS

(₹ in Thousands)

Description	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BOOK VALUE		
	As at April 1, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the Year	On Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2010
<b>Intangible Assets</b>									
Goodwill *	1,517,921	-	-	1,517,921	303,510	151,792	-	1,062,619	1,214,411
<b>Tangible Assets</b>									
Land	151,346	331	-	151,677	-	-	-	151,677	151,346
Plant and Machinery	460	-	-	460	176	74	-	211	285
Furniture and Fixtures	4,538	-	4,533	5	634	36	668	4	3,905
Vehicles	2,368	-	-	2,368	541	225	-	1,605	1,827
Computers and related assets	4,010	-	303	3,708	2,142	523	57	1,100	1,868
<b>TOTAL</b>	<b>1,680,643</b>	<b>331</b>	<b>4,835</b>	<b>1,676,140</b>	<b>307,002</b>	<b>152,650</b>	<b>724</b>	<b>1,217,216</b>	<b>1,373,642</b>
<b>Previous Year</b>	1,688,376	247	798	1,680,643	158,628	153,177	4,803	1,373,642	1,529,748

\*Refer Note B-5 of Schedule 15.

## 20th Annual Report 2010-2011

### Schedules forming part of Balance Sheet

(₹ in Thousands)

	March 31,2011	March 31,2010
<b>Schedule 6</b>		
<b>INVESTMENTS</b>		
<b>A. LONG TERM - AT COST - TRADE</b>		
(Refer Note B-4 on Schedule 15)		
I. In Subsidiary Companies		
(i) <b>Quoted</b>		
Picturehouse Media Limited		
3,353,114 equity shares of ₹ 10 each	53,105	53,105
[Market value as at March 31, 2011 - 42,551.01 Thousands		
(2010: ₹ 21,795.00 Thousands)]		
Less: Provision for diminution in value of investment	10,000	20,000
	<b>43,105</b>	<b>33,105</b>
(ii) <b>Unquoted</b>		
PVP Corporate Parks Private Limited		
(Formerly AGS Holdings Private Limited)		
500,000 equity shares of ₹ 10 each	5,000	5,000
(Out of this 4,99,999 equity shares have been given as		
security to L&T Infrastructure Finance Company Limited)		
AGS Hotels and Resorts Private Limited		
3,581,000 equity shares of ₹ 10 each	35,810	35,810
Less: Provision for diminution in value of investment	35,810	35,810
	-	-
PVP Energy Private Limited		
(Formerly PVP Malaxmi Energy Ventures Private Limited)		
5,602,869 equity shares of ₹ 10 each fully paid up	5,420,500	5,420,500
45,92,869 equity shares of ₹ 10 each fully paid up		
with a premium of ₹ 1,168/- each		
Less: Provision for diminution in value of investment	3,000,000	3,000,000
	2,420,500	2,420,500
New Cyberabad City Projects Private Limited		
1,010,000 equity shares of ₹ 10 each fully paid up	10,100	10,100
24,832-22% Redeemable Non Convertible Debentures of		
₹ 100,000 each	2,483,200	2,483,200
(These Debentures are redeemable at par at any time		
on or before March 31, 2014)		
Maven Infraprojects Private Limited		
10,000 equity shares of ₹ 10 each fully paid up	100	100
PVP Business Ventures Private Limited		
10,000 equity shares of ₹ 10 each fully paid up	100	100
PVP Business Towers Private Limited		
10,000 equity shares of ₹ 10 each fully paid up	100	100
Cuboid Real Estate Private Limited		
10,000 equity shares of ₹ 10 each fully paid up	100	100
	<b>4,919,200</b>	<b>4,919,200</b>



**PVP VENTURES LIMITED**

**Schedules forming part of Balance Sheet**

(₹ in Thousands)

	<b>March 31,2011</b>	<b>March 31,2010</b>
<b>II. Other than Trade in Non Subsidiaries</b>		
<b>(i) Quoted</b>		
Aptech Limited		
100 equity shares of ₹ 10 each paid up	5	5
[Market value as at March 31, 2011 - ₹ 9.83 Thousands (2010: ₹ 16.70 Thousands)]		
CFL Capital Financial Services Limited	200	200
2,000 13% cumulative preference share of ₹ 10 each paid up		
[Market value as at March 31, 2011 - ₹ Nil (2010: 0.06)]	205	205
Less : Provision for diminution in value of investments	200	200
(C)	<b>5</b>	<b>5</b>
<b>(ii) Unquoted</b>		
PVP Star Hotels Private Limited		
12,500 Equity Shares of ₹ 10 each fully paid	20,100	20,100
(D)	<b>20,100</b>	<b>20,100</b>
<b>Total (A+B+C+D)</b>	<b>4,982,410</b>	<b>4,972,410</b>
For investments purchased and sold during the year, Refer Note B-4 Schedule 15. Aggregate value of quoted investments. ₹ 43,109,890 (2010 : ₹ 33,109,890) Aggregate market value of quoted investments ₹ 42,560,840 (2010 : ₹ 21,818,000) Aggregate value of unquoted investments ₹ 4,939,300,000 (2010 : ₹ 4,939,300,000)		
<b>Schedule 7</b>		
<b>INVENTORIES - Lower of cost or NRV</b>		
Work-in-progress		
Opening Balance	841,506	843,576
Addition/(Deletion) during the year	1,465	(2,070)
Closing Balance	842,971	841,506
<b>Total</b>	<b>842,971</b>	<b>841,506</b>
<b>Schedule 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	229	40
Balances with Scheduled Banks:		
- On Current Accounts	92,367	707,422
- On Deposit Accounts*	3,821	15,034
- On Dividend Accounts	243	244
<b>Total</b>	<b>96,660</b>	<b>722,740</b>
* ₹ 3,820.73 Thousands (2010: ₹ 15,033.57 Thousands) given on lien for secured loan.		
<b>Schedule 9</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits	307	6,300
Interest accrued on deposits	423	202
Advance Income Tax	4,378	5,078
<b>Total</b>	<b>5,108</b>	<b>11,580</b>

## 20th Annual Report 2010-2011

### Schedules forming part of Balance Sheet

(₹ in Thousands)

	March 31, 2011	March 31, 2010
<b>Schedule 10</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Advance recoverable in cash or in kind or for value to be received		
- Advance to Platex Limited (Holding Company)	2,118	779
- Advance to Subsidiaries	2,424,916	1,955,795
- Advance to Others	4,023	3,888
- Considered doubtful	-	-
- Advance to Subsidiaries	516,016	580,118
	2,947,073	2,540,580
Less: Provision for doubtful advances	516,016	580,118
	<b>2,431,057</b>	<b>1,960,462</b>
Advance towards investments in bodies corporate (A)		
- Considered good	517	80,000
- Considered doubtful	305,188	305,188
	305,704	385,188
Less: Provision for doubtful advances	305,188	305,188
	517	80,000
(B)		
- to Holding Company 2,117.83 Thousands (2010: 778.00 Thousands) [maximum outstanding during the year ₹ 2,117.83 Thousands (2010: ₹ 778.00 Thousands)		
- to Subsidiary Companies ₹ 2,423,974.20 Thousands (2010: ₹ 2,471,489.00 Thousands) [maximum outstanding during the year ₹ 3,433,245 Thousands (2010: ₹ 5,102,326 Thousands)		
- to Companies under same management ₹ Nil (2010: ₹ 95.00 Thousands) [maximum outstanding during the year ₹ Nil (2010: ₹ 362.84 Thousands)		
<b>Total (A) + (B)</b>	<b>2,431,574</b>	<b>2,040,464</b>
<b>Schedule 11</b>		
<b>LIABILITIES</b>		
Sundry Creditors		
- Outstanding dues of Micro and Small enterprises	-	-
- Others	1,778	7,589
	1,778	7,589
Unclaimed dividends*	243	244
Advances from JDA (Refer note B-3 of Schedule 15)	1,050,000	1,000,000
Other Liabilities	1,401	1,988
<b>Total</b>	<b>1,053,422</b>	<b>1,009,820</b>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>PROVISIONS</b>		
Retirement benefits	-	2,566
Fringe benefit tax (net of Advance tax)	-	537
Provision for Income Tax	19,783	-
<b>Total</b>	<b>19,783</b>	<b>3,103</b>

**PVP VENTURES LIMITED**

**Schedules forming part of Profit and Loss Account**

(₹ in Thousands)

	<b>March 31,2011</b>	<b>March 31,2010</b>
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Interest income on debentures/deposits (Gross)	533	1,242
[Tax deducted at source ₹ 66,033 (2010: ₹ 106,862)]		
Income from Current Investments	-	736
Profit on sale of fixed assets	-	14
Other Income	2,709	561
Provision no longer required	10,000	-
	<b>13,242</b>	<b>2,553</b>
<b>Schedule 13</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Salaries, Wages and Bonus	3,348	19,552
Contribution to Provident Fund and Other Funds	56	222
Staff Welfare Expenses	206	305
Rent	2,886	27,909
Power and Fuel	401	320
Communication	556	1,080
Legal and Professional Charges	1,514	14,440
Audit Fees	1,434	1,324
Other Services Fee	127	193
Internal Audit Fees	110	441
Advertising Expenses	-	201
Books and Periodicals	33	32
Printing & Stationery	440	425
Postage and Telegrams	336	496
Listing Fees & Other Expenses	1,501	2,504
Security Charges	276	388
Office Expenses	751	281
Business Development Expenses	678	704
Director Sitting Fees	360	380
Repairs and Maintenance		
- Plant and Machinery	-	66
- Others	1,037	1,120
Insurance	111	30
Rates and Taxes	962	1,079
Travelling and conveyance	3,558	5,706
Bank charges and commission	21	78
Loss on sale of fixed assets	3,222	1,655
Miscellaneous Expenses	164	505
<b>Total</b>	<b>24,090</b>	<b>81,436</b>
<b>Schedule 14</b>		
<b>INTEREST AND FINANCE CHARGES</b>		
On Loans	60,898	116,393
Others	386	147
<b>Total</b>	<b>61,284</b>	<b>116,540</b>

## 20th Annual Report 2010-2011

### Schedules forming part of the Standalone financial statements for the year ended March 31, 2011

#### Schedule 15: Significant Accounting Policies and Notes to Accounts

##### A. Significant Accounting Policies

###### (a) Basis of Accounting

- A) The financial statements of the Company have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the relevant provisions of the Companies Act, 1956 as amended upto the date and the Rules and Regulations made thereunder.
- B) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates.
- C) The Company has prepared these statements on a going concern basis.

###### (b) Use of Estimates

In preparation of financial statements conforming to GAAP requirements certain estimates and assumptions are essentially required to be made with respect to items such as provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life period of Fixed Assets. Due care and diligence have been exercised by the Management in arriving at such estimates and assumptions since they may directly affect the reported amounts of income and expenses during the year as well as the balances of Assets and Liabilities including those which are contingent in nature as at the date of reporting of the financial statements.

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the

GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

###### (c) Revenue Recognition

As a consistent practice, the Company recognizes revenues on accrual basis.

###### (d) Fixed Assets

Fixed Assets are stated at the cost of acquisition less accumulated depreciation. The cost of acquisition includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

###### (e) Depreciation

Depreciation is provided on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 or based on the remaining estimated economic useful lives determined by the management whichever is higher.

Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

###### (f) Impairment

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets, are charged to the Profit and Loss Account in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

###### (g) Investments

Long-term investments are stated at cost, less diminution other than temporary in the value of such investments, if any.

Current investments are valued at cost or market value which ever is lower.

###### (h) Inventories

Inventories primarily constitute land and related development activities, which is valued at lower

## PVP VENTURES LIMITED

of cost or Net Realizable Value. Cost comprises of all expenses incurred for the purpose of acquisition of land and development of the same.

### (i) Employee Benefits

#### Gratuity

The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised Accounting Standard 15 (Revised 2005) on "Employee Benefits" as at the end of the period. Actuarial Gains/Losses are recognized immediately in Profit & Loss Account.

#### Leave Encashment

Leave encashment is paid for in accordance with the rules of the Company and provided based on an actuarial valuation as at the balance sheet date. Actuarial Gains/Losses are recognized immediately in Profit & Loss Account.

#### Other Benefit Plans

Contributions paid/ payable under defined contribution plans are recognized in the Profit and Loss Account in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The company makes monthly contributions and has no further obligations under the plan beyond its contributions.

### (j) Taxes on Income

- (i) Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

### (k) Earnings Per Share

The earnings considered for ascertaining the Company's Earnings Per Share comprises the net profit after tax. The number of shares used

in computing Basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

### (l) Borrowing Cost

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

### (m) Foreign Currency Transactions

Foreign currency transactions during the year under review are translated at the exchange rates prevailing on the respective date of transactions.

Assets and Liabilities outstanding in foreign currency as on the date of the Balance Sheet are translated at exchange rates prevailing as on the last day of the relevant financial year. Differences arising out of such translations are charged to the respective revenue accounts.

### (n) Leases

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are made to the HP vendors as per the EMI's given in the hire purchase agreements. The finance charges are debited to the profit & loss statement and the principal amount is adjusted against the liability created for the vendor.

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

### (o) Cash Flow Statement

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

### (p) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be

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required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### B. Notes to Accounts

1. The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.
2. As per the independent valuation of the Perambur land at Chennai done in 2010, the estimated fair market value of the land is ₹ 69,295.00 lakhs. This land is under joint development with M/s. North Town Estates Private Limited, a consortium of Unitech Limited and Arihant Foundations and Housing Limited. The real estate market in Chennai is looking positive now and with the approvals for first few phases of the Project in place, and as per the status report of the Perambur Project given in Note 3 below, the Company has prepared these accounts on a going concern basis.
3. **Status of the Perambur Project**
  - (i) The Company in 2008 had executed a joint development agreement with M/s. North Town Estates Private Limited ("**Developer**"), a consortium of Unitech Limited and Arihant Foundations and Housing Limited for development of its 70 Acres of land at Perambur ("**Project**").
  - (ii) The Developer did not fulfill the terms as agreed and considering the delay in the Project due to the depressed market conditions and other aspects, the Company initiated legal proceedings against the Developer and renegotiated the contractual terms by executing an amended and restated Joint Development Agreement in April 2011. The salient features of the amended JDA are as follows:
    - (a) The requisite approvals for the Project have been obtained and the launches are planned in June 2011;
    - (b) The Developer shall develop the Project in various phases, which encompass a total development of around 8 Million square feet.
    - (c) The entire Project will be launched in phases by December 31, 2015.
    - (d) Further, the Developer shall pay an amount of ₹ 5,600 lakhs to the Company by June 30, 2011 towards its revenue shares, after adjusting ₹ 700 lakhs for the expenses met by them as per the JDA against security deposits, from the advances collected from the Project. Out of the above, the Company has received ₹ 500 lakhs in March 2011. However, pending completion of procedural formalities and transfer of title through the sale deeds to the ultimate buyers, the Company has shown the above amount as advances received.
4. The Company has investments aggregating to ₹ 49,824.10 lakhs (2010: ₹ 49,724.10 lakhs) (net of provisions) in its subsidiary and associate companies and other bodies corporate and advances (net of provisions) aggregating to ₹ 24,249.16 lakhs (2010: ₹ 19,557.95 lakhs) extended to subsidiaries and ₹ 5.17 lakhs (2010: ₹ 800.00 lakhs) to other bodies corporate. Considering the provisions already made for the diminution in the value of investments and for the doubtful advances, and considering the fact that the market value of the assets held by these entities are more than the book value, the management is of the opinion that the provisions already made are adequate.
5. Pursuant to the merger of erstwhile PVP Ventures Private Limited with the Company, goodwill of ₹ 15,179.21 lakhs, representing the excess of consideration paid over the net assets acquired had been accounted for in the books of account. As per the terms of the Scheme of Amalgamation and the decisions of the Board, the goodwill are being set off in a phased manner over a period of 10 years beginning April 01, 2008. Accordingly, during the year, the Company has amortized goodwill of ₹ 1,517.92 lakhs from the Profit & Loss Account.

## PVP VENTURES LIMITED

6. During the year, pursuant to the conversion of 27,355 Fully Convertible Debentures of ₹ 100,000/- each (out of 40,644 Fully Convertible Debentures outstanding) by Platex Limited, the Debentureholder, the Company had allotted 1,34,09,314 Equity Shares of ₹ 10 each at a conversion price of ₹ 204 per share. Hence, the paid up share capital of the Company stands increased to ₹ 2,45,05,27,010/- divided into 24,50,52,701 equity shares of ₹ 10 each. Platex also extended the conversion/redemption option of the balance outstanding 13,289 FCDs to July 21, 2011.

7. During the year, in view of the cash flow situation of the Company, Platex Limited, the Debentureholder waived the interest receivable on the FCDs. Accordingly, the Company has not recorded the interest expenditure on debentures outstanding amounting to ₹ 5,143.55 lakhs (2010: ₹ 5,893.38 lakhs) in its books of account. Similarly, the Company has waived interest income receivable on Non Convertible Debentures held in New Cyberabad City Projects Private Limited, its wholly owned subsidiary and accordingly the Company has not recorded the interest income for the year amounting to ₹ 5,463.04 lakhs (2010: ₹ 1,0811.18 lakhs) in its books of account.

8. During the year, the Company settled its disputes with Malaxmi Energy Ventures (India) Private Limited and Mr. Y. Harish Chandra Prasad for its beneficial interests in Navabharat Power Private Limited and received ₹ 1,900 lakhs towards the settlement amount, which is shown as extra-ordinary income for the year.

### 9. Contingent Liabilities

(i) During the AY 2007-08, erstwhile PVP Ventures Private Limited accounted an interest income of ₹ 1,062.00 lakhs from debentures issued by its subsidiaries. However, it had corresponding interest expense to Platex and other related expenses, it showed this income as a reduction from the pre-operative expenditure as during that year, it was yet to begin operations and hence did not prepare any profit and loss account. However, the AO assessed the above income as taxable and raised a demand of ₹ 473.00 lakhs against the Company in Jan 2010. The Company has filed an appeal against this order and considering the Company's chance of success

on appeal, the amount has not been provided for.

(ii) During the year, the Company has received an income tax demand notice of ₹ 18,731.00 lakhs for the AY 2008-09, mainly because the AO had treated the FCDs received from Platex Limited as income of the Company. The Company has filed rectification petition under section 154 of the Income Tax Act to reduce the demand and also filed an appeal before the CIT (Appeals). The IT department has not passed any rectification order or the appeal has not been heard so far. Considering the Company's chance of success on appeal, the amount has not been provided for.

### 10. Employee Benefits

As per the corporate restructuring implementation, w.e.f. July 01, 2010 all the employees of the Company were transferred to M/s. Picturehouse Media Limited (*formerly known as Telephoto Entertainments Limited*) on the prevailing terms and conditions of employment contracts. Hence the detailed disclosure as required under AS-15(R) is not furnished for the year.

Accordingly, during the year, the outstanding provision of ₹ 3.70 lakhs for gratuity liability and ₹ 21.07 lakhs for leave encashment liability were also transferred to M/s. Picturehouse Media Limited (*formerly known as Telephoto Entertainments Limited*).

Further, for the defined contribution plans, an amount of ₹ 0.55 lakhs (2010: ₹ 2.22 lakhs) has been recognized in the Profit and Loss Account during the year for the intervening period.

11. The Company is engaged in the development of urban infrastructure, which in the context of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is considered the only segment. Hence, the reporting under the requirements of the said standard does not arise.

12. The provision for income tax has been made as per the Income Tax Act, 1961 considering the brought forward losses available for set-off.

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### 13. Earnings per Share (EPS)

Particulars		Year ended March 31, 2011	Year ended March 31, 2010
Nominal Value of Equity Shares (₹ per Share)	A	10	10
No. of Shares outstanding as at the year end	B	245,052,701	231,643,387
Weighted average number of Equity Shares outstanding during the period	C	234,178,298	231,643,387
Profit/(Loss) after Taxes Before Extraordinary items (₹ in Lakhs)	D	(729.89)	(37,162.73)
Profit/(Loss) after Taxes After Extraordinary items (₹ in Lakhs)	E	982.71	(37,162.73)
Earnings Per Share – Basic and diluted (Before Extraordinary items) (in ₹)	D/B	(0.31)	(16.04)
Earnings Per Share – Basic and diluted (After Extraordinary items) (in ₹)	E/B	0.42	(16.04)

Since the potential equity shares arising out of convertible debentures outstanding as at March 31, 2011 would be anti-dilutive in nature, hence not considered for the above EPS calculation.

### 14. Directors' Remuneration

(₹ in lakhs)

	Year ended March 31, 2011	Year ended March 31, 2010
Sitting Fees paid to Non-Executive Directors	3.60	3.80
Total	3.60	3.80

The lease rentals paid on HP during the year and the future lease obligations for agreements valid as at March 31, 2011 are as follows:

(₹ in lakhs)

	Year ended March 31, 2011	Year ended March 31, 2010
Due within 1 year from the Balance Sheet date	Nil	3.28
Due between 1 and 5 years	Nil	Nil
Due after 5 years	Nil	Nil
HP Lease rent paid during the year	3.28	5.13

### 15. Lease Rentals

The Company has entered into operating leases agreements for office premises and an amount of ₹ 28.86 lakhs (2010: ₹ 279.09 lakhs) paid under such agreement have been charged to Profit & Loss Account.

### 16. Related Party Disclosures

#### (a) Names of related parties and description of relationship

Description of relationship	Names of related parties
Holding Company	Platex Limited (PL)
Subsidiary Company	New Cyberabad City Projects Private Limited (NCCPPL) PVP Energy Private Limited (PEL) Maven Infraprojects Private Limited (MIL) PVP Business Ventures Private Limited (PBV) PVP Corporate Parks Private Limited (PCPL) AGS Hotels and Resorts Private Limited (AGR) Cuboid Real Estates Private Limited (CRE) PVP Business Towers Private Limited (PBT)
Associate company	Picturehouse Media Limited (PHML) (w.e.f. March 30, 2011) (Formerly Telephoto Entertainments Limited) PVP Screens Private Limited (PSPL) (w.e.f. March 30, 2011)



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Enterprises where key management personnel exercise significant influence	Maven BPO Services Private Limited (MBSPL) Whitcity Infrastructure (India) Private Limited (WIL) Godavari Infracon Private Limited (GIPL) Waltair Promoters Private Limited (WPPL) PKP Infraprojects Private Limited (PKP) PVP Megapolis Private Limited (PMPL) (w.e.f. 10.02.11) Bruma Properties Private Limited (BPPL) Shakthi Realtors Private Limited (w.e.f 22.03.11)
Key Management Personnel	Mr. Prasad V. Potluri, Chairman and Managing Director (PV) Mr. Deepak Nagori (CFO) (upto 09.02.2011)

(b) Summary of transactions with the related parties, during the year ended March 31, 2011 and balances as at the March 31, 2011

Nature of transactions	Transactions during the year ended	
	March 31, 2011 (₹ in Lakhs)	March 31, 2010 (₹ in Lakhs)
<b>(i) Receipt of Liability of Gratuity and Leave Encashment on employees on transferred</b>		
Associate Company – PHML	25.66	Nil
<b>(ii) Advances/Loans given</b>		
a) Holding Company – PL	13.40	Nil
b) Subsidiary Company – PCPL	Nil	336.79
– PEL	2,800.38	757.55
– PBV	Nil	2.00
– CRE	Nil	2.01
– MIL	4,443.49	0.01
– PBT	Nil	19,800.11
c) Associate Company – PHML	0.08	2.03
– PSPL	0.08	21.23
d) Enterprises where significant influence exists		
– PVPIT		0.01
– WIL	0.01	
– PKP	Nil	0.02
– PVPMPL	Nil	0.01
– MRPL	Nil	0.01
<b>iii) Repayment of Loans given</b>		
a) Subsidiary Company – PBT	Nil	16,797.21
– PEL	Nil	12,812.01
– PCPL		5,350.75
– PBV	1.00	Nil
– CRE	1.75	Nil
b) Associate Company – PHML	2.11	Nil
– PSPL	21.31	Nil
c) Enterprises where significant influence exists		
– PVPIT	Nil	3.42
– WIL	Nil	236.71
– PVPML	0.24	Nil
– MRPL	Nil	0.01
– GIPL	0.86	Nil
– PKP	0.04	Nil
– WPPL	0.05	Nil
– WIL	0.01	Nil
d) Key Management Personnel	Nil	2.88

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Nature of transactions	Transactions during the year ended	
	March 31, 2011 (₹ in Lakhs)	March 31, 2010 (₹ in Lakhs)
<b>iv) Advances/Loans availed</b>		
a) Subsidiary Company – NCCPL	49.00	Nil
– PCPL	2536.51	Nil
<b>v) Loans Repaid</b>		
a) Subsidiary Company – NCCPPL	430.45	2,171.42
– PCPL	12.94	
– AGR	0.96	9.36
<b>vi) Administrative Expenses recovered</b>		
a) Subsidiary Company – PCPL	Nil	0.20
b) Associate Company – PHML	Nil	0.04
– PSPL	Nil	0.04

### (c) The outstanding balances as at the March 31, 2011

Particulars	Outstanding balance as at	
	March 31, 2011 (₹ in Lakhs)	March 31, 2010 (₹ in Lakhs)
<b>a) Advances Receivable</b>		
Holding Company – PL	21.18	7.78
Subsidiary Company – PCPL	Nil	826.01
– PEL	14,208.14	11,407.76
– PBV	5,501.94	5,502.94
– CRE	3,500.27	3,502.02
– MIL	450.10	450.10
– PBT	7,446.41	3,002.92
Associate Company – PHML	Nil	2.03
– PSPL	Nil	21.23
Enterprises where significant influence exists		
– WPPL	Nil	0.05
– GIPL	Nil	0.86
– PKP	Nil	0.04
– BPPL	35.00	35.00
– PVPMPPL	Nil	0.24
<b>b) Unsecured Loans</b>		
Subsidiary Company – NCCPL	3,028.72	3,410.17
– PCPL	1,697.56	Nil
– AGR	39.38	40.34

Also refer Note 6 above regarding waiver of interest payable to the holding company and interest receivable from the subsidiary companies.

**PVP VENTURES LIMITED**

**17. Disclosure made in terms of clause 32 of the listing agreement with Stock exchanges**

Particular	Name of the company	Amount outstanding as on 31.3.2011 (₹ in Lakhs)	Maximum amount due at any one time during the year (₹ in Lakhs)
<b>A) Loans and advances</b>			
(i) Loans and advances in the nature of loans made to subsidiary company	PCPL	Nil	826.01
	PEL	14,208.14	14208.14
	PBV	5,501.94	5,502.94
	CRE	3,500.27	3,502.02
	MIL	450.10	450.10
	PBT	7,446.41	7,826.41
(ii) Loans and advances in the nature of loans made to associate company	PHML	Nil	2.11
	PSPL	Nil	21.23
(iii) Loans and advances in the nature of loans where there is			
a) No repayment schedule or repayment beyond seven year	For all the loans given to the subsidiary companies as mentioned above and the advances given to the companies where directors are interested mentioned below, there are no repayment schedules prescribed		
b) No interest or interest below section 372A of the Companies Act	Nil	Nil	Nil
(iv) Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested.	WPPL	Nil	0.24
	PKP	Nil	0.04
	GIPL	Nil	0.86
	BPPL	35.00	35.00
	PMPL	Nil	0.24

**18. Particulars relating to Investments purchased and sold during the year.**

	Year ended March 31, 2011		Year ended March 31, 2010	
	Qty Units.	Value Amount (in ₹ lakhs)	Qty Units.	Value Amount (in ₹ lakhs)
<b>Purchases during the year</b>	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
<b>Sales during the year</b>				
Reliance Banking Fund	Nil	Nil	3,31,125.83	58.58
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>3,31,125.83</b>	<b>58.58</b>

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### 19. Particulars relating to expenditure in foreign currency (on payment basis)

(₹ in lakhs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Travel related Expenses	4.35	2.05
London Stock exchange fee	9.18	11.63
Bank Charges	Nil	0.03
<b>Total</b>	<b>13.53</b>	<b>13.71</b>

### 20. Audit Fee including Service Tax:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Statutory Audit (₹ in lakhs)	13.24	13.24
Tax Representation (₹ in lakhs)	Nil	0.83
Limited Review (₹ in lakhs)	1.10	1.10

21. The Company's inventory comprises of 1259.90 grounds of land at Perambur, Chennai and 19 acres 8 guntas of land at Raikunta village, Shamshabad, Hyderabad, Andhra Pradesh. The book value of the inventory is ₹ 8,429.00 lakhs (Previous year ₹ 8,415.00 lakhs).
22. The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.
23. Additional information pursuant to paragraphs 3, 4, 4A to 4D of Part II to Schedule VI to the Act, to the extent either Nil or not applicable is not furnished.
24. Previous year's figures have been regrouped/reclassified, wherever necessary, to confirm to those of the current year.

As per our Report of even date  
For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

Place : Hyderabad  
Date : May 27, 2011

## PVP VENTURES LIMITED

### Balance Sheet Abstract and Company's General Business Profile

#### i. Registration Details

Registration No.	:	020122	State Code	:	18
Balance Sheet Date	:	31.03.2011			

#### ii. Capital raised during the year (₹ in thousands)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	134,093

#### iii. Position of Mobilisation and Deployment of Funds (₹ in thousands)

Total Liabilities	:	12,081,241	Total Assets	:	12,081,241
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#### Source of Funds

Paid-up Capital	:	2,450,527	Reserves & Surplus	:	7,751,110
Secured Loans	:	236,394	Unsecured Loans	:	1,643,210

#### Application of Funds

Net Fixed Assets	:	1,217,216	Investments	:	4,982,410
Net Current Assets	:	2,303,108	Miscellaneous Expenditure	:	NIL
Accumulated Losses	:	3,578,507			

#### iv. Performance of Company (₹ in thousands)

Turnover / Income	:	203,242	Total Expenditure	:	86,231
Profit/(Loss) Before Tax	:	117,011	Profit/(Loss) After Tax	:	98,271
Earnings per share in ₹	:	0.42	Dividend Rate %	:	NIL

#### v. Generic Names of three Principal Products / Service of Company

Item Code No. (ITC Code)	:	N.A.	Product Description	:	N.A.
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As per our Report of even date

For **CNGSN & Associates**

Chartered Accountants

Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

**R. Thirumalmarugan**

Partner

Membership No : 200102

**Prasad V. Potluri**

Chairman & Managing Director

**N. S. Kumar**

Director

**R. Nagarajan**

Director

**Dhiraj Kumar Sinha**

GM - Legal &

Company Secretary

Place : Hyderabad

Date : May 27, 2011

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**For Members Use**

**PVP VENTURES LIMITED**

# **Consolidated Financial Statements and Notes**

**20th Annual Report 2010-2011**

**For Members Use**



## PVP VENTURES LIMITED

### Auditors' Report to the Board of Directors of PVP Ventures Limited on the Consolidated Financial Statements of PVP Ventures Limited and its Subsidiaries

1. We have audited the attached Consolidated Balance Sheet of PVP Ventures Limited as at 31<sup>st</sup> March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

*preparation of financial statements. The holding company and some of the subsidiary companies accounts have been prepared on going concern. The facts such as, no business activity, erosion of the networth, dependence on the support from other group companies for the continued operation, delay in commencement of the proposed project, disposal of entire revenue generating assets during the year, waiver of the interest payable for the year on the debentures by the debenture holder due to the financial position of the Company and other related factors indicate that the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.*
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of some of the subsidiaries, whose financial statements reflect total assets of ₹ 17,072.71 lakhs as at March 31, 2011 and total revenues of ₹ 36.29 lakhs and total net cash outflows of ₹ 0.18 lakhs for the year ended on that date considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the reports of such other auditors.
4. We report that, the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, on Consolidated Financial Statements, and on the basis of the separate audited financial statements of PVP Ventures Limited and its subsidiaries included in Consolidated Financial Statements.
5. Attention is invited to the material matters relating to:
  - i. Note No B21 in notes on account of Schedule 17, with regard to Going Concern
  - ii. Note No B4 in notes on account of Schedule 17, with regard to the value of its investment. The market value of the quoted investments as on 31<sup>st</sup> March, 2011 is lesser than its carrying value by ₹ 34.48 lakhs over and above the provision for diminution in value of investments already made by the company.
  - iii. Note No B8 in notes on accounts of Schedule 17, with regard to the amount of advances of ₹ 390.00 lakhs written off. The company has written off the advances against the provisions already made during the previous years as bad and not recoverable.
  - iv. Note No B9 and B14 in notes on accounts of Schedule 17, with regard to the advances for land and land development rights amounting to ₹ 11011.26 lakhs. The delay in commencement of the proposed project and considering the other factors, the provisions to be made for the shortfall, if any, in the carrying amount on these advances are not quantified at this stage.
  - v. Note No B16 in notes on accounts of Schedule 17, with regard to the accounting treatment of directly accounting the profit/loss on sale of assets to reserves and surplus. Had the loss on sale of fixed assets amounting to ₹ 296.97 lakhs been debited to profit and loss account the result for the year would have been Net Loss of

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- ₹ (11334.15) lakhs as against reported Net Loss of ₹ (11037.18) lakhs.
- vi. Note No B17 in notes on account of Schedule 17, with regard to the investments. The company has invested to the extent of ₹1648.00 lakhs during previous years in the Zero Coupons Optionally Convertible Debentures. These Debentures are convertible at any time within the period of 10 years. Considering the long term tenure of conversion period, provision for shortfall, if any, in carrying amount to be made, on this investment are not quantified at this stage.
- vii. Note B19 in notes on account of Schedule 17, with regard to carrying the investment in other body corporate amounting to ₹14097.00 lakhs. Considering the long term nature of investments, provision for shortfall, if any, in carrying amount to be made, on this investment are not quantified at this stage.
- viii. Note B20 in notes on accounts of Schedule 17, with regard to the Income Tax Demands. Pending outcome of the results of appeal the company has not provided for the Income tax demands. The ultimate provisions to be made, if any, on the outcome of the appeals are not quantified at this stage.
- ix. Note No B29 in notes on account of Schedule 17, with regard to the provision for doubtful advances amounting to ₹ 2806.51 lakhs. The entire amount has already been provided for in the books during the previous years. Any further provision to be made on the shortfall, if any, on the carrying amount of these advances are not quantified at this stage.
6. On the basis of information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of PVP Ventures Limited and its subsidiaries, we are of the opinion that the attached consolidated financial statement, subject to the effect on the financials on the matters referred to in the preceding paragraph, give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of PVP Ventures Limited and its Subsidiaries as at 31<sup>st</sup> March, 2011;
  - in the case of the Consolidated Profit & Loss account, of the LOSS for the year ended on that date; and
  - In the case of Consolidated Cash Flow, the Cash Flows for the year ended on that date.

For **M/s CNGSN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**R. THIRUMALMARUGAN**  
PARTNER

Membership No.200102  
Firm Registration No. 004915S

Camp: Hyderabad  
Date: 27<sup>th</sup> May, 2011

**PVP VENTURES LIMITED**

**Consolidated Balance Sheet As At March 31, 2011**

(₹ in Thousands)

	Schedule	As at March 31,2011		As at March 31,2010	
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
(a) Capital	1	2,439,625		2,236,272	
(b) Reserves and Surplus	2	8,042,537		5,491,364	
			10,482,162		7,727,636
<b>2. Loan Funds</b>					
(a) Secured Loans	3	314,665		591,317	
(b) Unsecured Loans	4	2,414,209		5,149,259	
			2,728,874		5,740,576
<b>TOTAL</b>			<b>13,211,036</b>		<b>13,468,212</b>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>	5				
(a) Gross Block		1,892,289		3,543,234	
(b) Less : Depreciation & Amortisation		458,939		325,258	
(c) Net Block			1,433,350		3,217,975
<b>2. Investments</b>	6		1,649,303		1,384,905
<b>3. Current Assets, Loans and Advances</b>					
(a) Inventories	7	2,339,477		2,309,837	
(b) Cash and Bank Balances	8	188,571		766,266	
(c) Other Current Assets	9	10,898		35,602	
(d) Loans and Advances	10	1,516,902		856,162	
		4,055,848		3,967,868	
<b>Less : Current Liabilities and Provisions</b>	11				
(a) Liabilities		1,056,335		1,029,210	
(b) Provisions		22,725		3,124	
		1,079,060		1,032,334	
<b>Net Current Assets</b>			2,976,789		2,935,534
Profit and Loss Account			7,151,594		5,929,798
<b>TOTAL</b>			<b>13,211,036</b>		<b>13,468,212</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	17				

The schedules referred to above form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

For and on behalf of the Board  
**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

Place : Hyderabad  
Date : May 27, 2011

## 20th Annual Report 2010-2011

### Consolidated Profit And Loss Account For Year Ended March 31, 2011

(₹ in Thousands)

	Schedule	For the Year Ended March 31,2011	For the Year Ended March 31,2010
<b>I. Income</b>			
Income from Operations	12	1,714	6,253
Other Income	13	54,885	35,751
		<b>56,599</b>	<b>42,004</b>
<b>II. Expenditure</b>			
Cost of Inventory sold		-	2,069
Administration and Other Expenses	14	28,695	467,124
Interest and Finance Charges	15	63,556	134,694
Loss on disposal of investment		-	4,407,355
Depreciation		2,395	10,466
		<b>94,647</b>	<b>5,021,708</b>
<b>III. Profit &amp; (Loss) before Taxation &amp; Extraordinary Items</b>		<b>(38,048)</b>	<b>(4,979,704)</b>
Prior Period Income/(Expenses)		-	2,708
Extraordinary Income	16	<b>(1,045,253)</b>	-
<b>IV. Profit &amp; (Loss) before taxation</b>		<b>(1,083,301)</b>	<b>(4,982,412)</b>
Provision for Taxation			
- Income Tax for Earlier Years		-	(5,552)
- Income Tax for the year		(22,725)	-
- Deferred Tax		-	16,232
- Provision for Tax no longer required		2,308	-
<b>V. Profit &amp; (Loss) after taxation</b>		<b>(1,103,718)</b>	<b>(4,971,732)</b>
Balance brought forward		(5,896,084)	(331,248)
Less: Adjusted towards Amortisation of Goodwill		(151,792)	(151,792)
Less: Adjusted for impairment of Goodwill on consolidation (Refer Note 5 on Schedule 17)		-	475,026
<b>VI. Balance carried to Balance Sheet</b>		<b>(7,151,594)</b>	<b>(5,929,798)</b>
Earning Per Share after extraordinary Items - Basic and Diluted (₹) (Refer Note no.B-25 in Schedule 17)		(4.74)	(22.23)
<b>Significant Accounting Policies and Notes to Accounts</b>	17		

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit and Loss Account referred to in our report of even date.

For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

Place : Hyderabad  
Date : May 27, 2011

For and on behalf of the Board  
**Prasad V. Potluri**  
Chairman & Managing Director

**R. Nagarajan**  
Director

**N. S. Kumar**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

**PVP VENTURES LIMITED**

**Consolidated Cash Flow Statement for the year ended March 31, 2011**

(₹ in Thousands)

	<b>Year Ended March 31, 2011</b>	<b>Year Ended March 31, 2010</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net/(Loss) Profit before extraordinary items &amp; taxation</b>	(38,048)	(4,979,704)
<b>Adjustments for operating activities:</b>		
Depreciation	2,396	10,466
Interest income	(533)	(1,318)
Interest and Finance charges	63,557	134,694
Bad debts and provision for doubtful advances	-	308,036
Receivables written off	-	35
Loss on sale of fixed assets	3,222	1,855
Income from Investments	(9,333)	(6,190)
Provision no longer required	(38,863)	(19,015)
Loss/(Gain) on sale of investments	-	4,407,355
Provision for diminution in value of investments	-	59,700
<b>Operating profit before Working Capital Changes</b>	<b>(17,602)</b>	<b>(84,087)</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventory	(29,640)	2,069
Decrease/(Increase) in Loans and Advances	(1,092,405)	(62,228)
Decrease/(Increase) in Other Current Assets	27,812	123
Increase/(Decrease) in Liabilities	28,853	(14,855)
<b>Cash generated from operations</b>	<b>(1,082,984)</b>	<b>(158,978)</b>
Income tax paid/refund net	-	(4,015)
<b>Net Cash from / (used in) Operating Activities before extraordinary items</b>	<b>(1,082,984)</b>	<b>(162,992)</b>
Compensation received	244,041	(2,708)
<b>Net Cash from / (used in) Operating Activities after extraordinary items</b>	<b>(A) (838,943)</b>	<b>(165,699)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(32,233)	(31,646)
Proceeds from sale of fixed assets	224,097	1,441,936
Purchase of current investments	-	(524,500)
Proceeds from sale of investments	(209,700)	1,292,781
Interest income	533	1,318
Income from Mutual Funds	9,333	6,190
<b>Net cash from/(used in) investing activities</b>	<b>(B) (7,970)</b>	<b>2,186,079</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of long term borrowings	451,365	(1,032,516)
Proceeds from Long term borrowings	158,506	-
Proceeds from borrowings	78,272	-
Repayment of borrowings	(354,923)	(108,035)
Interest paid	(63,557)	(134,694)
<b>Net cash from/(used in) financing activities</b>	<b>(C) 269,663</b>	<b>(1,275,245)</b>

## 20th Annual Report 2010-2011

	Year Ended March 31,2011	Year Ended March 31,2010
<b>Net Increase in Cash and Cash Equivalents (A)+(B)+(C)</b>	<b>(577,250)</b>	<b>745,135</b>
Cash and cash equivalents at the beginning of the year	766,266	21,131
Less : Cash and cash equivalents at the beginning of the year relating to the companies as stated in note B-1 of schedule 17.	(445)	-
<b>Cash and cash equivalents at the end of the year</b>	<b>188,571</b>	<b>766,266</b>

Non cash movement in capital, investment & current assets are not considered in above cash flow statement.

As per our Report of even date  
For **CNGSN & Associates**  
Chartered Accountants  
Firm.Reg.No. 004915S

For and on behalf of the Board

**R. Thirumalmarugan**  
Partner  
Membership No : 200102

**Prasad V. Potluri**  
Chairman & Managing Director

**N. S. Kumar**  
Director

**R. Nagarajan**  
Director

**Dhiraj Kumar Sinha**  
GM - Legal &  
Company Secretary

Place : Hyderabad  
Date : May 27, 2011

**PVP VENTURES LIMITED**

**Schedules forming part of Consolidated Balance Sheet**

(₹ in Thousands)

	<b>March 31,2011</b>	<b>March 31,2010</b>
<b>Schedule 1</b>		
<b>CAPITAL</b>		
<b>Authorised</b>		
300,000,000 Equity Shares of ₹ 10 each	3,000,000	3,000,000
<b>Issued, Subscribed and Paid-up</b>		
245,052,701 (2010: 231,643,387) equity shares of ₹ 10 each (Out of these 132,612,766 (2010: 143,708,722) equity shares of ₹ 10 each are held by M/s. Platex Limited, the holding company.)	2,450,527	2,316,434
Less: 10,90,235 (2010: 80,16,235) equity shares held by PVP Energy Private Limited	10,902	80,162
Of the above:		
a) 13,409,314 equity shares of ₹ 10 each fully paid up in cash have been issued to Platex Limited upon conversion of 27,355 FCDs of ₹ 100,000 each at conversion price of ₹ 204 per share in terms of the scheme of amalgamation.		
b) 173,759,567 equity shares of ₹ 10 each fully paid-up have been issued pursuant to the Scheme of Amalgamation of PVP Ventures Private Limited with the Company.		
c) 6,120,400 equity shares of ₹ 10 each have been allotted by way of bonus shares, by capitalising securities premium.		
d) 878,236 equity shares of ₹ 10 each have been allotted pursuant to a contract without payment being received in cash.		
e) 694,444 equity shares of ₹ 10 each have been allotted consequent to issue of equivalent number of Global Depository Receipts (Out of which 92,218 shares are outstanding pending conversion)		
f) 32,144,940 equity shares of ₹ 10 each have been allotted to the shareholders of Buckingham Real Estate and Asset Developers Limited (BREAD), pursuant to the scheme of amalgamation between BREAD and the Company in the ratio of 642 shares of the company for every 1 share of BREAD.		
g) 22,200 equity shares of ₹ 10 each have been allotted under Employee Stock option plan 1999.		
<b>Total</b>	<b>2,439,625</b>	<b>2,236,272</b>

## 20th Annual Report 2010-2011

### Schedules forming part of Consolidated Balance Sheet

(₹ in Thousands)

	March 31,2011	March 31,2010
<b>Schedule 2</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account		
Opening Balance	5,149,703	5,167,952
Addition during the year	2,601,407	-
Closing Balance	<b>7,751,110</b>	<b>5,167,952</b>
Capital Profit and Loss on Sale of Assets		
Opening Balance	321,124	-
Addition/(Deletions) during the year	(29,697)	321,124
Closing Balance	291,427	321,124
Capital Reserve	-	2,288
<b>Total</b>	<b>8,042,537</b>	<b>5,491,364</b>
<b>Schedule 3</b>		
<b>SECURED LOANS</b>		
From Banks		
Loans against Fixed Deposits	76,000	-
Interest accrued and due	2,271	-
From Others - L & T Infrastructure Finance Company Limited		
- Term Loan	236,394	590,988
[Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited]		
Part of the shares held by PVP Energy Private Limited has been given as collateral security and the same is guaranteed by the promoters		
24,832-22% Secured Redeemable Non-Convertible Debentures of ₹ 100,000 each held by PVP Ventures Limited, the Holding Company.	-	-
Notes:		
1. These NCD's are secured by way of mortgage over the land and land development rights		
2. These NCD's are redeemable at the option of Debentureholder at any time upto 31.03.2014.		
- Hire Purchase Loans	-	329
[Secured by hypothecation of respective vehicles]		
<b>Total</b>	<b>314,665</b>	<b>591,317</b>
<b>Schedule 4</b>		
<b>UNSECURED LOANS</b>		
From other than banks		
13,289 (2010: 40,644), 14.5% Redeemable Fully Convertible Debentures of ₹ 100,000 each	1,328,900	4,064,400
707 Compulsorily Convertible Debentures of ₹ 1,00,000/- each held by Platex Limited the Ultimate Holding Company.	70,700	70,700
10,00,00,000-0% Optional Convertible Debentures of ₹10/- each	1,000,000	1,000,000
Debenture Application Money	59	59
Loans		
- From Holding Company	-	-
- From Subsidiary Company	-	-
- From Other Body Corporate	14,550	14,100
<b>Total</b>	<b>2,414,209</b>	<b>5,149,259</b>



Schedules forming part of Consolidated Balance Sheet

Schedule 5

FIXED ASSETS

(₹ in Thousands)

Description	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BOOK VALUE		
	As at April 1, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the Year	On Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2010
<b>Intangible Assets</b>									
Goodwill *	1,517,921	-	-	1,517,921	303,510	151,792	-	1,062,619	1,214,411
Goodwill on Consolidation	1,621,697	-	1,405,661	216,036	-	-	-	216,036	1,621,697
	3,139,618	-	1,405,661	1,733,957	303,510	151,792	-	1,278,655	2,836,108
<b>Tangible Assets</b>									
Land	195,452	331	44,106	151,677	-	-	-	151,677	195,452
Building	190,286	31,902	222,188	-	17,154	1,384	18,538	-	173,132
Plant and Machinery	7,868	-	3,587	4,281	2,840	653	621	1,409	5,028
Furniture and Fixtures	7,642	-	7,637	5	1,212	133	1,342	4	6,430
Vehicles	2,368	-	-	2,368	541	225	-	1,605	1,827
	403,616	32,233	277,517	158,332	21,748	2,395	20,501	154,695	381,868
<b>TOTAL</b>	<b>3,543,234</b>	<b>32,233</b>	<b>1,683,177</b>	<b>1,892,289</b>	<b>325,258</b>	<b>154,187</b>	<b>20,501</b>	<b>1,433,350</b>	<b>3,217,976</b>
<b>Previous Year</b>	10,663,034	31,646	7,151,446	3,543,234	295,538	162,258	132,538	3,217,976	10,367,496

\* Refer Note B-7 on Schedule 17.

## 20th Annual Report 2010-2011

### Schedules forming part of Consolidated Balance Sheet

(₹ in Thousands)

	March 31,2011	March 31,2010
<b>Schedule 6</b>		
<b>INVESTMENTS</b>		
<b>A. LONG TERM - AT COST - TRADE</b>		
(Refer Note B-4 on Schedule 17)		
<b>I. In Subsidiary Companies</b>		
<b>(i) Quoted</b>		
Picturehouse Media Limited		
40,38,601 equity shares of ₹ 10 each	74,698	-
[Market value as at March 31, 2011 - 51,250 Thousands		
(2010: ₹ 21,795 Thousands)]		
Less: Provision for diminution in value of investment	20,000	-
	(A)	-
<b>II. Other than Trade in Non Subsidiaries</b>		
<b>(i) Quoted</b>		
Aptech Limited : 100 equity shares of ₹ 10 each paid up	5	5
[Market value as at March 31, 2011 - ₹ 9.83 Thousands		
(2010: ₹ 16.70 Thousands)]		
CFL Capital Financial Services Limited	200	200
2,000 13% cumulative preference share of ₹ 10 each paid up		
[Market value as at March 31, 2011 - ₹ Nil (2010: 0.06)]	205	205
Less : Provision for diminution in value of investments	200	200
	(B)	5
<b>(ii) Unquoted</b>		
PVP Star Hotels Private Limited		
12,500 Equity Shares of ₹ 10 each fully paid up	20,100	20,100
Jagati Publications Private Limited		
36,38,053 (2010 - 30,55,553) equity shares of ₹ 10/- each		
fully paid up at a premium of ₹ 350/- per equity share.	1,309,700	1,100,000
Mimosa Enterprises Private Limited		
3,33,333 equity shares of ₹ 10/- each fully paid up		
at premium ₹ 290/- per share	100,000	100,000
Crust Realtors Private Limited		
3280-0% Optionally Convertible Debentures of ₹ 10,000/- each	32,800	32,800
Mantel Realtors Private Limited		
5000-0% Optionally Convertible Debentures of ₹ 10,000/- each	50,000	50,000
P'n'V Real Estates & Developers Private Limited		
4500-0% Optionally Convertible Debentures of ₹ 10,000/- each	45,000	45,000
Stone Valley Real Estates Private Limited		
3500-0% Optionally Convertible Debentures of ₹ 10,000/- each	35,000	35,000
Hercules Real Estates & Projects Private Limited		
200-0% Optionally Convertible Debentures of ₹ 10,000/- each	2,000	2,000
5970-0% Optionally Convertible Debentures of ₹ 10,000/- each	59,700	59,700
convertible at any time within a period of 10 years into fully paid		
equity shares of ₹10/- each at a price to be determined		
by the Board of Directors of the Company.		
	1,654,300	1,444,600
Less : Provision for diminution in value of investments	59,700	59,700
	(C)	1,384,900
<b>Total</b>	<b>(A+B+C)</b>	<b>1,384,905</b>

**PVP VENTURES LIMITED**

**Schedules forming part of Consolidated Balance Sheet**

(₹ in Thousands)

	<b>March 31,2011</b>	<b>March 31,2010</b>
<b>Schedule 7</b>		
<b>INVENTORIES - Lower of cost or NRV</b>		
Land	21,900	21,900
Work-in-progress		
Opening Balance	2,287,937	2,326,937
Addition/(Deletion) during the year	29,640	39,000
Closing Balance	2,317,577	2,287,937
<b>Total</b>	<b>2,339,477</b>	<b>2,309,837</b>
<b>Schedule 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	295	51
Balances with Scheduled Banks:		
- On Current Accounts	96,574	709,064
- On Deposit Accounts*	91,459	16,907
- On Dividend Accounts	243	244
- Cheques in hand	-	40,000
<b>Total</b>	<b>188,571</b>	<b>766,266</b>
<b>Schedule 9</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits	307	3,878
Interest accrued on deposits	423	247
Advance Income Tax	10,169	31,477
<b>Total</b>	<b>10,899</b>	<b>35,602</b>
<b>Schedule 10</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured and considered good, unless otherwise stated)</b>		
Advance recoverable in cash or in kind or for value to be received* [Refer Note (i) below] (Refer Note 3 on Schedule 15)		
- Advance to Platex Limited (Holding Company)	2,118	779
- Advance to Others	617,500	25,535
- L&T Infrastructure Finance Company Limited	144,586	-
- Land Development Rights	749,676	749,848
- Court Fees Recoverable	2,505	-
- Considered doubtful		
- Advance to Others	280,651	434,138
	1,797,036	1,210,300
Less: Provision for doubtful advances	280,651	434,138
(A)	<b>1,516,385</b>	<b>776,162</b>

## 20th Annual Report 2010-2011

### Schedules forming part of Consolidated Balance Sheet

(₹ in Thousands)

	March 31,2011	March 31,2010
Advance towards investments in bodies corporate (Refer Note 3 on Schedule 15)		
- Considered good	517	80,000
- Considered doubtful	305,188	305,188
	305,704	385,188
Less: Provision for doubtful advances	305,188	305,188
	517	80,000
(B)		
* (i) Advances includes amounts due from subsidiary companies, bodies corporate and companies under same management as given below		
- to Holding Company 2,118 Thousands (2010: 778 Thousands) [maximum outstanding during the year ₹ 2,118 Thousands (2010: ₹ 778 Thousands)		
- to Companies under same management ₹ Nil (2010: ₹ 95 Thousands) [maximum outstanding during the year ₹ Nil (2010: ₹ 362 Thousands)		
<b>Total (A) + (B)</b>	<b>1,516,902</b>	<b>856,162</b>
<b>Schedule 11</b>		
<b>LIABILITIES</b>		
Sundry Creditors		
- Outstanding dues of Micro and Small enterprises	-	-
- Others	2,709	10,504
	2,709	10,504
Unclaimed dividends*	243	244
Book overdraft	-	24
Advances from JDA (Refer note of Schedule 15)	1,050,000	1,000,000
Other Liabilities	3,383	18,439
<b>Total</b>	<b>1,056,335</b>	<b>1,029,211</b>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
<b>PROVISIONS</b>		
Retirement benefits	-	2,566
Fringe benefit tax (net of Advance tax)	-	537
Provision for Income Tax	22,725	-
Provision for ULT	-	21
<b>Total</b>	<b>22,725</b>	<b>3,124</b>

**PVP VENTURES LIMITED**

**Schedules forming part of Profit and Loss Account**

(₹ in Thousands)

	<b>March 31, 2011</b>	<b>March 31, 2010</b>
<b>Schedule 12</b>		
<b>INCOME FROM OPERATIONS</b>		
Rent for Occupation	1,609	6,253
Rent for Facilities	105	-
<b>Total</b>	<b>1,714</b>	<b>6,253</b>
<b>Schedule 13</b>		
<b>OTHER INCOME</b>		
Interest income on debentures/deposits (Gross)	533	1,318
Interest Income on Income Tax Refund	3,364	-
Income from Current Investments	9,333	6,190
Profit on sale of fixed assets	-	14
Other Income	2,709	9,241
Provision for Doubtful Advances recovered	83	-
Provision no longer required	38,863	19,015
	<b>54,885</b>	<b>35,751</b>
<b>Schedule 14</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Salaries, Wages and Bonus	3,746	20,752
Contribution to Provident Fund and Other Funds	56	222
Staff Welfare Expenses	206	305
Rent	2,886	27,909
Power and Fuel	446	632
Communication	628	-
Legal and Professional Charges	3,272	-
Audit Fees	2,281	22,938
Other Services Fee	127	-
Internal Audit Fees	110	-
Advertising Expenses	-	-
Books and Periodicals	33	-
Printing & Stationery	450	-
Postage and Telegrams	336	-
Listing Fees & Other Expenses	1,501	-
Security Charges	276	-
Office Expenses	1,404	-
Business Development Expenses	678	-
Director Sitting Fees	360	-
Repairs and Maintenance		
- Building	96	173
- Plant and Machinery	-	66
- Others	1,145	1,378
Insurance	153	132
Rates and Taxes	1,373	3,088
Travelling and conveyance	3,569	5,955
Bank charges and commission	24	-
Loss on sale of fixed assets	3,222	1,869
Provision for doubtful advances/advances written off	-	308,036
Provision for diminution in value of investment	-	59,700
Land Development Rights written off	39,000	-
Less: Provision diminution in value	39,000	-
Miscellaneous Expenses	316	13,969
<b>Total</b>	<b>28,695</b>	<b>467,124</b>

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### Schedules forming part of Profit and Loss Account

(₹ in Thousands)

	March 31, 2011	March 31, 2010
<b>Schedule 15</b>		
<b>INTEREST AND FINANCE CHARGES</b>		
On Loans	63,170	134,694
Others	386	-
<b>Total</b>	<b>63,556</b>	<b>134,694</b>
<b>Schedule 16</b>		
<b>EXTRAORDINARY ITEMS</b>		
Unsecured Loan written back	6,600	-
Compensation Received	244,041	-
Loss on Sale of Investments	(1,295,894)	-
<b>Total</b>	<b>(1,045,253)</b>	<b>-</b>

## PVP VENTURES LIMITED

### Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

#### Schedule 17 : Significant Accounting Policies and Notes to Accounts

#### A. Significant Accounting Policies

##### 1. Basis of preparation of financial statements

- (i) The financial statements of the Group have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the relevant provisions of the Companies Act, 1956, to the extent applicable.
- (ii) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The actual results could differ from those estimates. Examples of such estimates include future obligations under employee retirement benefit plans and the useful life of the fixed assets.

##### 2. Principles of Consolidation

PVP Ventures Limited ("PVP") is the holding company of the group. In preparation of these Consolidated Financial Statements, investments in subsidiaries and associates have been accounted for in accordance with Accounting for Consolidated Financial Statements (AS-21) and

Accounting for Investments (AS-13) under section 211(3C) of the Act. The Consolidated Financial Statements have been prepared on the following basis:

- (i) Subsidiary companies are those in which PVP, directly or indirectly, have an interest of more than one half of the voting power or otherwise have power to exercise control over the operations.
- (ii) Associate companies are those in which PVP, directly or indirectly, have an interest of more than 20% and less than 50% of the voting power and otherwise do not have significant influence over the Associate Company. However, the investment of PVP and PVP Energy Private Limited in Picturehouse Media Limited, an associate listed company, which operates under severe long-term restrictions that significantly impair its ability to transfer funds to them, is accounted as per AS-13 (Accounting for Investments).
- (iii) All intercompany transactions, balances and unrealized surpluses and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.
- (iv) List of Subsidiaries and Associates of PVP as at March 31, 2011 considered for consolidation are as follows:

Name of subsidiary company	Country of incorporation	% age holding of PVP	
New Cyberabad City Projects Private Limited (NCCPPL)	India	100	
PVP Energy Private Limited (PEL)	India	100	
Maven Infraprojects Private Limited (MIPL)	India	100	
PVP Business Ventures Private Limited (PBVPL)	India	100	
PVP Business Towers Private Limited (PBTPL)	India	100	
PVP Corporate Parks Private Limited (PCPPL)	India	100	
AGS Hotels & Resorts Private Limited (AHRL)	India	100	
Cuboid Real Estates Private Limited (CRE)	India	100	
Name of the associate company	Country of incorporation	% age holding of PVP	% age holding of PHML
Picturehouse Media Limited (formerly Telephoto Entertainments Limited) (PHML)*	India	26.06	NA
PVP Screens Private Limited (PSPL)	India	Nil	100%

\*During the year, PHML ceased to be a subsidiary of PVP and accordingly, PSPL also ceased to be subsidiary.

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The Financial Statements of all the subsidiaries and associates are drawn upto March 31, 2011.

### 3. Revenue Recognition

Income from sale of property is recognized as and when transfer of property takes place. Interest income is recognized on time proportionate basis

### 4. Fixed Assets

Fixed Assets are stated at the cost of acquisition less accumulated depreciation. The cost of acquisition includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.

In PCPPL, the profit/loss on sale or write off of assets are included in reserves & surplus in the balance sheet and in other companies it is taken to profit and loss account.

### 5. Depreciation

Depreciation is provided on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 or based on the remaining estimated economic useful lives determined by the management whichever is higher. Individual assets costing less than or equal to ₹ 5,000 are depreciated in full in the year of acquisition.

### 6. Impairments

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss being the excess of carrying value over the recoverable value of the assets, are charged to the Profit and Loss Account in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

### 7. Investments

Long-term investments are stated at cost, less diminution other than temporary in the value of such investments, if any. Current investments are valued at cost or market value whichever is lower.

### 8. Inventories

Inventories primarily constitute land and land development rights and activities, which are valued at cost or net realizable value, whichever is lower. Cost comprises of all expenses incurred for the purpose of acquisition of land, land

development rights and for the development of land.

### 9. Employee Benefits

#### Gratuity

The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out in accordance with revised Accounting Standard 15 (Revised 2005) on "Employee Benefits" as at the end of the period. Actuarial gains /losses are recognized immediately in the profit and loss account.

#### Leave Encashment

Leave encashment is paid for in accordance with the rules of the Group and provided based on an actuarial valuation as at the balance sheet date. Actuarial gains /losses are recognized immediately in the profit and loss account.

#### Other Benefit Plans

Contributions paid/ payable under defined contribution plans are recognized in the Profit and Loss Account in each year. Contribution plans primarily consist of Provident Fund administered and managed by the Government of India. The Group makes monthly contributions and has no further obligations under the plan beyond its contributions.

### 10. Borrowing Cost

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

### 11. Foreign Currency Transactions

Foreign currency transactions during the year under review are translated at the exchange rates prevailing on the respective date of transactions. Assets and Liabilities outstanding in foreign currency as on the date of the Balance Sheet are translated at exchange rates prevailing as on the last day of the relevant financial year. Differences arising out of such translations are charged to the respective revenue accounts.

### 12. Leases

The assets purchased under hire purchase agreements are included in the Fixed Assets block. The value of the asset purchased is capitalized in the books. A liability for the same amount is created at the time of entering into the agreement. The payments are made to the HP vendors as per the EMI's given in the hire



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purchase agreements. The finance charges are debited to the profit & loss statement and the principal amount is adjusted against the liability created for the vendor.

Lease rental in respect of operating lease arrangements are charged to expense on a straight-line basis over the term of the related lease agreement.

### 13. Taxes on Income

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

### 14. Earnings Per Share

The earnings considered for ascertaining the Group's Earnings Per Share comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted EPS comprises of the weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares that would be issued on the conversion of all dilutive potential equity shares.

### 15. Cash Flow Statement

The Cash flow statement is prepared under the indirect method as per Accounting Standard 3 "Cash Flow Statements".

### 16. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those

having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

### B. Notes on Accounts

1. During the year, due to the preferential allotment made by Picturehouse Media Limited (PHML) (formerly *Telephoto Entertainments Limited*), the shareholding of the holding Company in PHML has been reduced to 26.06% and accordingly, PHML and its wholly owned subsidiary PVP Screens Private Limited (PSPL), ceased to be the subsidiary companies of PVP. Accordingly, the consolidated financial statements for the year ended March 31, 2011 do not include the financial statements of PHML and PSPL and hence the corresponding figures for the previous years are not comparable.

2. As per the independent valuation done in 2010 of the Perambur land at Chennai of PVP, the estimated fair market value is around ₹ 69,295 Lakhs. This land is under joint development with M/s. North Town Estates Private Limited, a consortium of Unitech Limited and Arihant Foundations and Housing Limited, and with the approvals for first few phases of the Project in place, and as per the status report of the Perambur Project is given in Note 3 below.

### 3. Status of the Perambur Project of PVP

(i) PVP in 2008 had executed a joint development agreement with M/s. North Town Estates Private Limited ("**Developer**"), a consortium of Unitech Limited and Arihant Foundations and Housing Limited for development of its 70 Acres of land at Perambur ("**Project**").

(ii) The Developer did not fulfill the terms as agreed and considering the delay in the Project due to the depressed market conditions and other aspects, PVP initiated legal proceedings against the Developer and renegotiated the contractual terms by executing an amended and restated Joint Development Agreement in April 2011. The salient features of the amended JDA are as follows:

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- (a) The requisite approvals for the Project have been obtained and the launches are planned in June 2011;
  - (b) The Developer shall develop the Project in various phases, which encompass a total development of around 8 Million square feet.
  - (c) The entire Project will be launched in phases by December 31, 2015.
  - (d) Further, the Developer shall pay ₹ 5,600.00 lakhs to the Company by June 30, 2011 towards its revenue shares, after adjusting ₹ 700 lakhs for the expenses met by them as per the JDA against security deposits, from the advances collected from the Project. Out of the above, the Company has received ₹ 500.00 lakhs in March 2011. However, pending completion of procedural formalities and transfer of title through the sale deeds to the ultimate buyers, the Company has shown the above amount as advances received.
4. The Group has investments aggregating to ₹ 16,493.02 lakhs (2010: ₹ 13,849.05 lakhs) (net of provisions) in associate companies and other bodies corporate and has extended advances (net of provisions) aggregating to ₹ 15,169.01 lakhs (2010: ₹ 8,561.62 lakhs) to associates companies and other bodies corporate. Considering the provisions already made for the diminution in the value of investments and for the doubtful advances, and considering the fact that the market value of the assets held by these entities are more than the book value, the management is of the opinion that the provisions already made are adequate in the books of Group.
  5. During the year, pursuant to the conversion of 27,355 Fully Convertible Debentures of ₹ 1,00,000/- each (out of 40,644 Fully Convertible Debentures outstanding) by Platex Limited, the Debentureholder, PVP had allotted 1,34,09,314 Equity Shares of ₹ 10 each at a conversion price of ₹ 204 per share. Hence, the paid up share capital of PVP stands increased to ₹ 245,05,27,010/- divided into 24,50,52,701 equity shares of ₹ 10 each. Platex also extended the conversion/redemption option of the balance outstanding 13,289 FCDs to July 21, 2011.
  6. Platex, the debenture holder, also waived the interest on these debentures issued by PVP. Accordingly, interest expenditure amounting to ₹ 5,143.55 lakhs (2010: ₹ 5,893.38 lakhs) for the year ended March 31, 2011 has not been recorded in the financial statements of PVP.
  7. Pursuant to the merger of erstwhile PVP Ventures Private Limited with PVP, goodwill of ₹ 15,179.21 lakhs, representing the excess of consideration paid over the net assets acquired had been accounted for in the books of account. As per the terms of the Scheme of Amalgamation and the decisions of the Board, the goodwill are amortised over a period of 10 years beginning April 01, 2008. Accordingly, during the year, PVP has amortized goodwill of ₹ 1517.92 lakhs from its Profit & Loss Account.
  8. During the year, PVP settled its disputes with Malaxmi Energy Ventures (India) Private Limited and Mr. Y. Harish Chandra Prasad for its beneficial interests in Navabharat Power Private Limited and received ₹ 1,900.00 lakhs towards the settlement amount, which is shown as extra-ordinary income of the Company.
  9. New Cyberabad City Projects Private Limited (NCCPPL) had given advances to certain parties amounting to ₹ 7,461.25 lakhs (PY: ₹ 7,498.01 lakhs) towards acquisition of land, and land development rights. Accordingly, NCCPPL has considered such advances as good and recoverable and no provision has been made towards these advances.
  10. NCCPL, in 2008, had issued 10,00,00,000-0% Unsecured Optionally Convertible Debentures (OCDs) amounting to ₹ 10,000.00 lakhs to M/s. Erebus Projects Private Limited, a 100% subsidiary of M/s. Unitech Limited. During the year, certain disputes arose between the Parties. However, both of them reconciled in April, 2011 and settled their disputes by entering into a compromise deed whereby Erebus agreed to convert these OCDs into 19% of the paid up share capital of the Company and also to extend the conversion time of the OCDs upto June 30, 2011 and accordingly, these OCDs have been again shown as Unsecured Loans.
  11. During the year, in terms of section 309(5A) of the Act, Mr. Y. Harish Chandra Prasad, the erstwhile Chairman cum Managing Director of PVP Energy Private Limited (PEL), had refunded ₹ 273.02 lakhs to PEL, which was paid as remuneration to him during the year 2007-08 and 2008-09. Further, PEL also settled its disputes

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- with Malaxmi Energy Ventures (India) Private Limited and Mr. Y. Harish Chandra Prasad for its beneficial interests in Navabharat Power Private Limited and received ₹ 540.00 lakhs towards the settlement amount, which is shown as extra-ordinary income of the Company.
12. PEL had pledged 69,46,000 equity shares of PVP (having a book value of ₹ 14406.08 lakhs) towards the security of a loan taken by PVP from L&T Infrastructure Finance Company Limited ("LTIF"). LTIF in March 2010 had revoked the pledge over these shares and transferred these shares in its own name but the management became aware of the revocation after March 31, 2010. Hence, during the current financial year, the above transaction is effected in the books of accounts of PEL and the net consideration, as on the date of transfer viz. ₹ 1,445.86 Lakhs is shown under Loans & Advances receivable from LTIF. Further, due to the above revocation of pledge and transfer by LTIF, a loss on sale of investments of ₹ 12,958.93 lakhs is also accounted in the current financial year as extra-ordinary loss in the books of PEL.
  13. PEL holds 10,90,235 equity shares of PVP, its holding company, as these shares were acquired before the Company became its subsidiary. However, in terms of the provisions of section 42(3) of the Act, PEL does not have any rights to vote at meetings of PVP or any class of members thereof over these shares.
  14. During the year, PEL had advanced ₹ 3,550 lakhs towards acquisition of land and land development rights for its proposed power project. In terms of the arrangements between these parties and PEL, they are required to facilitate acquisition of certain areas of land parcels within 24 months against which these advances are paid, failing the completion of the land parcel, the Company shall demand repayment of the advance and shall not be obliged to acquire the land parcel from these parties.
  15. PEL had issued 707, Zero Percent Compulsorily Convertible Debentures of ₹ 100,000/- each (CCDs) to Platex Limited, the ultimate holding company. These CCDs are mandatorily convertible into equity shares of PEL either upon occurrence of a trigger event (which is defined to include public offering, takeover or merger etc. of the Company) or in case of non-occurrence of a Trigger Event, at any time during the period between Five (5) years to Ten (10) years from the date of issuance of the CCDs i.e. between June 16, 2014 and June 16, 2019.
  16. During the year, PCPPL sold its commercial property at KRM Centre, Chetpet, Chennai for a total consideration of ₹ 2,267.56 lakhs incurring a pretax loss of ₹ 296.97 lakhs. The Book Value of the assets sold was ₹ 2,529.04 lakhs and in addition to that PCPPL paid a commission of ₹ 31.32 lakhs on these transactions. The resultant loss of ₹ 296.97 lakhs was directly debited to capital profit in Reserves & Surplus as per the accounting policy of PCPPL.
  17. PCPPL had invested a sum of ₹ 1,648 lakhs in 0% Optionally Convertible Debentures (OCDs) of certain companies, which are engaged in developing real estate projects. These OCDs are convertible at any time with in 10 years into fully paid equity shares of ₹10/- each at price to be determined by Board of Directors of PCPPL at the time of conversion. The Management has decided to carry these investments as long term and the fact that the investments have potential to generate returns only in the long run, no provision has been made for diminution, if any, in value of such investments.
  18. During the year, AHRL decided to write off the entire amount of advances of ₹ 390 lakhs given in the previous years for acquiring land development rights, because the parties to whom the above advance were given are not in a position to fulfill their deliverables as the ultimate land owners of the property to whom these advances were given are not in the possession of legal title as on date. Considering the latest developments and also considering the fact that the entire advance has already been provided for in the previous year accounts, the entire amount has been written off from the books as bad and not recoverable.
  19. PBVPL, PBTPL and CRE, the subsidiaries, hold investments in the equity shares aggregating to ₹ 13,097 lakhs (2010: ₹ 11,000 lakhs) of Jagati Publications Limited (JPL) and ₹ 1,000 lakhs (2010: ₹ 1000 lakhs) in Mimosa Enterprises Private Limited (MEPL). The management is of the opinion that these investments are fully represented by the value of the assets and business potential of JPL and MEPL and hence no provision towards diminution in the value of

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such investments has been made in the books of account of the respective companies.

### 20. Contingent Liabilities

(a) During the AY 2007-08, erstwhile PVP Ventures Private Limited accounted an interest income of ₹ 1062.00 lakhs from debentures issued by its subsidiaries. However, it had corresponding interest expense to Platex and other related expenses, it showed this income as a reduction from the pre-operative expenditure as during that year, it was yet to begin operations and hence did not prepare any profit and loss account. However, the AO assessed the above income as taxable and raised a demand of ₹ 473.00 lakhs against the Company in Jan 2010. The Company has filed an appeal against this order and considering the Company's chance of success on appeal, the amount has not been provided for.

(b) During the current year, PVP has received an income tax demand notice of ₹ 18,731.00 lakhs for the AY 2008-09, mainly because the AO had treated the FCDs received from Platex Limited as income of the Company. PVP has filed rectification petition under section 154 of the Income Tax Act to reduce the demand and also filed appeal before the CIT (Appeals). The IT department has not passed any rectification order or the appeal has not been heard so far. Considering the Company's chance of success on appeal, the amount has not been provided for.

21. The ability of the group, namely PVP, NCCPPL, PEL, MIPL, PBVPL, PBTPL and CRE, to continue as going concern is fully dependent on the financial and administrative support of associate companies and on the revival of projects, returns on investments made and alternative strategies

(d) The various business segments comprise of the following companies:

S. No.	Segment	Name of the Company
1.	Real Estate and Property Development	New Cyberabad City Projects Private Limited PVP Ventures Limited Maven Infraprojects Private Limited PVP Corporate Parks Private Limited
2.	Power and Energy	PVP Energy Private Limited
3.	Media and Entertainment	PVP Business Ventures Private Limited PVP Business Towers Private Limited Cuboid Real Estates Private Limited
4.	Others	AGS Hotels & Resorts Private Limited

being evolved by the management. The financial statements of these subsidiaries do not include any adjustment that may be required to the recoverability and classification of recorded asset or to the classification of the liabilities if these subsidiaries are unable to continue as going concerns.

### 22. Employee Benefits

As per the corporate restructuring of the Group, during the year, the employees of PVP were transferred to PHML w.e.f. July 01, 2010 on the same terms and conditions of the employment contracts.

### 23. Segment Reporting

(a) The segment report of the Group has been prepared in accordance with Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

(b) The corporate strategy of the Group aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on three business segments:

- (i) Real Estate and Property Development,
- (ii) Power and Energy
- (iii) Media and Entertainment
- (iv) Others

The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

(c) For the purpose of reporting, business segments are primary segments. The Group's activities are restricted within India. The conditions prevailing within India being predominantly uniform, no separate geographical segment disclosure is considered necessary.

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(a) The details of segment information are given below:

Particulars		For the Year ended	
		March 31, 2011 (₹ in Lakhs)	March 31, 2010 (₹ in Lakhs)
<b>1</b>	<b>Segment Revenues</b>		
	Real Estate and Property Development	17.13	62.53
	Power and Energy	-	-
	Media and Entertainment	-	-
	Others (refer note (d) above)	-	-
	<b>Total</b>	<b>17.13</b>	<b>62.53</b>
<b>2</b>	<b>Profits/(Loss)</b>		
	Real Estate and Property Development	(896.04)	(49,731.58)
	Power and Energy	(31.88)	(411.75)
	Media and Entertainment	(0.62)	(6.88)
	Others (refer note (d) above)	(0.78)	(4.35)
	<b>Total</b>	<b>(929.32)</b>	<b>(50,154.56)</b>
	Add: Other Unallocable Income	548.84	357.51
	Extra Ordinary and Prior Period Items	(10,452.53)	(27.07)
	<b>Profit Before Tax</b>	<b>(10,833.01)</b>	<b>(49,824.12)</b>
	Provision for Tax	(204.17)	106.79
	<b>Profit After Tax</b>	<b>(11,037.18)</b>	<b>(49,717.33)</b>
<b>3</b>	<b>Capital Employed</b>		
	<b>Segmental Assets</b>		
	Real Estate and Property Development	48,218.96	73,524.43
	Power and Energy	6,064.55	171.54
	Media and Entertainment	17,101.20	12,008.60
	Others (refer note (d) above)	0.29	2.91
	<b>Total Assets</b>	<b>71,385.00</b>	<b>85,707.48</b>
	<b>Segment Liabilities</b>		
	Real Estate and Property Development	36,514.46	66,918.62
	Power and Energy	1,493.66	795.16
	Media and Entertainment	70.65	13.90
	Others (refer note (d) above)	0.56	1.42
	<b>Total Liabilities</b>	<b>38,079.33</b>	<b>67,729.10</b>
	<b>Capital Employed</b>		
	Real Estate and Property Development	11,704.50	6,605.80
	Power and Energy	4,570.89	(623.62)
	Media and Entertainment	17,030.55	11,994.70
	Others (refer note (d) above)	(0.27)	1.49
	<b>Total Capital Employed</b>	<b>33,305.67</b>	<b>17,978.37</b>
<b>4</b>	<b>Capital Expenditure</b>		
	Real Estate and Property Development	322.33	316.46
	Power and Energy	-	-
	Media and Entertainment	-	-
	Others (refer note (d) above)	-	-
	<b>Total Capital Expenditure</b>	<b>322.33</b>	<b>316.46</b>
<b>5</b>	<b>Depreciation</b>		
	Real Estate and Property Development	1,541.87	1,621.83
	Power and Energy	-	-
	Media and Entertainment	-	-
	Others (refer note (d) above)	-	-
	<b>Total</b>	<b>1,541.87</b>	<b>1,621.83</b>

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24. In view of the absence of virtual certainty in future profitability of the holding company and all its subsidiaries, deferred tax asset on carry forward losses and others have not been recognized on the grounds of prudence.

### 25. Earnings per Share (EPS):

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Nominal Value of Equity Shares (₹ per Share)	10	10
No. of Shares outstanding as at the year end	24,39,62,466	22,36,27,152
Weighted average number of Equity Shares outstanding during the year	23,30,87,463	22,36,27,152
Profit/(Loss) after Taxes but before Extraordinary items (₹ in Lakhs)	(584.65)	(49,824.12)
Profit/(Loss) after Taxes & Extraordinary items (₹ in Lakhs)	(11,037.18)	(49,717.32)
Earnings Per Share–Basic and diluted (Before Extraordinary items) (in ₹)	(0.25)	(22.27)
Earnings Per Share–Basic and diluted (After Extraordinary items) (in ₹)	(4.74)	(22.23)

#### Notes:

- Cross holding of equity shares are not considered in computing the EPS.
- The potential equity shares due on conversion of debentures outstanding as at March 31, 2011 would be anti-dilutive in nature, hence not considered for calculating the above EPS.

### 26. Lease Rentals

The Group has entered into operating leases agreements for office premises and an amount of ₹ 28.86 lakhs (2010: ₹ 279.09 lakhs) was paid under such agreement have been charged to profit & loss account. The lease rentals paid during the year and the future lease obligations (including HP EMI's) for agreements in vogue as at March 31, 2011 are as follows:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Due within 1 year from the Balance Sheet date	Nil	3.28
Due between 1 and 5 years	Nil	Nil
Due after 5 years	Nil	Nil
HP Lease rent paid during the year	3.28	5.13

### 27. Related Party Disclosures:

(a) Names of related parties and description of relationship:

Description of relationship	Names of related parties
Holding Company	Platex Limited (PL)
Associate Company	Picturehouse Media Limited (PHML) PVP Screens Private Limited (PSPL)
Enterprises where key management personnel exercise significant influence	Maven BPO Services Private Limited (MBSPL) Whitcity Infrastructure (India) Private Limited (WIL) Godavari Infracon Private Limited (GIPL) Waltair Promoters Private Limited (WPPL) PKP Infracorps Private Limited (PKP) PVP Megapolis Private Limited (w.e.f. 10.02.2011) (PVPML)

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	Shakti Realtors Private Limited (SRPL) (w.e.f. 22.03.2011) Axil Realtors Private Limited (ARPL) Bruma Properties Private Ltd (BPPL)
Key Management Personnel and their relatives	Mr. Prasad V. Potluri (PV) Mr. Y. Harish Chandra Prasad (YHCP) Mrs. Jhansi Sureddi Mrs. P. Sai Padma (PSP) Dr. Anne Sai Laxmana (ASL) Mr. Deepak Nagori (upto 09.02.11)

(b) Summary of transactions and outstanding balances with the above related parties:

Nature of transactions	Transactions for the year ended (₹ in lakhs)		Balance as at (₹ in lakhs)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
<b>(i) Unsecured Loans Availed (Net)/ Amount Payable</b>				
a) Holding Company Platex Limited	Nil	707.00	707.00	707.00
<b>(ii) Loans/Advances given (Net)</b>				
(a) Holding Company Platex Limited	13.40	Nil	21.18	7.78
(b) Associate Companies				
PHML	(2.03)	2.03	Nil	2.03
PSPL	(21.23)	21.23	Nil	21.23
(c) Enterprises where key management personnel exercise significant influence				
BPPL	Nil	Nil	35.00	35.00
PKP	(0.04)	0.02	Nil	0.04
SRPL	Nil	415.61	759.10	759.10
WIL	(0.00)	572.10	977.83	977.83
WPPL	(0.05)	Nil	Nil	0.05
GIPL	(0.86)	0.01	Nil	0.86
PVPML	(0.24)	0.01	Nil	0.24
(d) Key Management Personnel and their relatives				
ASL	Nil	Nil	130.85	130.85
PSP	Nil	Nil	133.51	133.51
PVP	Nil	2.88	Nil	Nil
<b>(iii) Provisions for Advances</b>				
(a) Enterprises where key management personnel exercise significant influence				
SRPL	Nil	759.10	759.10	
WIL	Nil	977.83	977.83	977.83
<b>(iv) Re-imburement of expenses</b>				
Key Management Personnel – PV	Nil	0.43	Nil	Nil

## 20th Annual Report 2010-2011

<b>(v) Admin expenses recovered</b>					
(a) Associate Company					
	PHML	Nil	0.04	Nil	Nil
	PSPL	Nil	0.04	Nil	Nil
<b>(vi) Receipt of Liability of Gratuity and Leave Encashment on employees on transfer</b>					
(a) Associate Company					
	PHML	25.66	Nil	Nil	Nil
<b>(vii) Bad debts written off against provisions for doubtful debts</b>					
	ARPL	390.00	Nil	Nil	Nil

28. The Group has provided for ₹ 2806.51 lakhs towards bad and doubtful advances. The management is of the opinion that there are no further doubtful advances to be provided for.

29. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to those of the current year.

As per our Report of even date

For **CNGSN & Associates**

Chartered Accountants

Firm.Reg.No. 004915S

For and on behalf of the Board of Directors

**R. Thirumalmarugan**

Partner

Membership No : 200102

**Prasad V. Potluri**

Chairman & Managing Director

**N. S. Kumar**

Director

**R. Nagarajan**

Director

**Dhiraj Kumar Sinha**

GM - Legal &

Company Secretary

Place : Hyderabad

Date : May 27, 2011



# PVP VENTURES LIMITED PVP VENTURES LIMITED

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai - 600 031.

## ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

DP ID
-------

REGD. FOLIO NO.
-----------------

CLIENT ID
-----------

Name and Address of the Shareholder

No. of Share(s) Held

I/we hereby record my/our presence on the 20th Annual General Meeting of PVP Ventures Limited held on Wednesday, September 28, 2011 at 10.00 A.M. at Rani Seethai Hall, 603, Anna Salai, Chennai- 600 006.

Signature of the Shareholder/Proxy .....



# PVP VENTURES LIMITED

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai - 600 031.

## PROXY FORM

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

DP ID
-------

REGD. FOLIO NO.
-----------------

CLIENT ID
-----------

I/we .....  
of ..... being a member of PVP Ventures Limited hereby appoint  
Mr. .... of .....  
.....or failing him Mr.....of  
..... as my/our proxy to vote for me/us/and on my/our behalf, at 20th  
Annual General Meeting of PVP Ventures Limited held on Wednesday, September 28, 2011 at 10.00 A.M. at Rani Seethai Hall, 603, Anna Salai, Chennai- 600 006 or at any adjournment thereof.

Signed this .....day of .....2011.

Signature of the Shareholder .....

Affix Re. 1 Revenue Stamp
------------------------------------

**Note : This proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 Hours before the time of the meeting. The Proxy need not be a member of the Company.**



## BOOK - POST

If undelivered please return to :

**Karvy Computershare Private Limited**

(Unit : **PVP Ventures Limited**)

Plot No. 17-24, Vittal Rao Nagar,

Madhapur,

Hyderabad - 500 081.

India.