



PVP Ventures Limited

**21st Annual Report
2011-12**

21st Annual Report 2011-2012



PVP Ventures Limited 21st Annual Report 2011-12

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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
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 21st Annual General Meeting of the members of PVP Ventures Limited will be held on Wednesday, September 26, 2012 at 10.00 A.M. at "Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006, to transact the following Ordinary Businesses:

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N. S. Kumar, 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 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

By order and on behalf of the Board

Dhiraj Kumar Sinha

(General Counsel & Company Secretary)
Chennai, August 10, 2012

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 17, 2012 to Wednesday, September 26, 2012 (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. There is no unpaid or unclaimed dividend for the previous years outstanding with the Company.

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8. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
- Change in their Residential status on return to India for permanent settlement.
 - 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.
9. 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 member having any grievances can post the same to this email ID for the quick redressal.
10. 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, 2012 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.

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

At the ensuing AGM, Mr. N. S. Kumar 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 the said director is as under:**

| | |
|--|---|
| Name of Director | Mr. N. S. Kumar |
| DIN | 00552519 |
| Date of birth | 06.01.1947 |
| Date of appointment | 19.03.2001 |
| Brief Resume | Mr. Kumar has more than 25 years of experience in information technology, project management and sound business practices. He has been involved in multiple international assignments and managed several initiatives in development, project development and quality assurances. Mr. Kumar is Master of Science (Computer Science Operations) from Ohio University, USA and B. E. from Guindy College of Engineering. |
| Qualifications | M.S. (Computer Science), B.E. |
| Expertise | Over 30 years of experience in IT Industry and Management of Projects. |
| Directorships held in other public companies | Picturehouse Media Limited Electro Scan India Limited Water & Food Equitable Distribution organization |
| Chairmanship/Membership of Committee in other public companies | Member-Audit Committee and Member-Shareholders & Investors Grievance Committee of Picturehouse Media Limited |
| No. of shares held | NIL |
| Relationship with other directors of the Company | NIL |

**Directors' Report**

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company together with audited annual accounts for the financial year ended March 31, 2012.

Consolidated Financial Statements

(₹ in Lac)

| Particulars | 2011-12 | 2010-11 |
|---|----------------|----------------|
| Total Income | 340.05 | 176.53 |
| Operational, Administration and other expenses | 411.25 | 286.95 |
| Profit/(Loss) before Depreciation, Interest and Tax | (71.20) | (110.42) |
| Exceptional Items | 166.13 | (10063.07) |
| Depreciation | (13.61) | (23.95) |
| Interest and Finance Charges | (7.91) | (635.56) |
| (Loss) before Extra ordinary items and income tax | 73.41 | (10833.01) |
| (Loss) before tax and Minority Interest | 73.41 | (10833.01) |
| Provision for taxation | (14.46) | (204.17) |
| Provision for minority interest | 0.47 | 0.00 |
| (Loss) after tax and minority interest | 59.42 | (11037.18) |

Review and result of Operations

Financial year 2011-12 was a challenging year for the global markets and industries. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which fuelled the inflation in India. The European economies stagnated and the US witnessed a downgrade in its credit rating, and India was forced to tighten liquidity and raise interest rates to tame rising inflation.

However, the Company, despite of all these challenges is able to hold its fort. Perambur project of the Company has started and has been received well by the market. During the year, the first few phases of Perambur Project were launched and received good response from the market. The Company, till the year ending 31st March 2012, received ₹ 74.23 Cr (PY: ₹ 5 Cr) as its share of collections from the Project, however, pending transfer of significant risks and rewards over the undivided share of land, which coincides with registering the sale deed, this amount is shown as advance for sale received from customers. The Company also received ₹ 2.27 Cr from the Developer as interest on delayed payments, which is shown as other income for the year. The further details of the cash flows from the Project and related development

are given in Note 22.1 of the Notes to Accounts.

In June 2012, the Company disposed off its Pattipulam property and settled the dues of L&T Infrastructure Finance Company Limited and has now become a debt free company.

Future Plans

The Company expects substantial cash flow from its Perambur project and intends to develop a vertical focusing on acquisitions and financing arising out of special situations in Indian and global markets by utilizing its internal accrual and by raising debt funding.

Dividend

The Board has not recommended any dividend for the financial year 2011-12.

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. N. S. Kumar, retires by rotation in the ensuing AGM and being eligible, offers himself for reappointment. Brief profile etc. of Mr. N. S. Kumar, as required under Clause 49

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of the Listing Agreements, is provided in the notes attached to the Notice calling the AGM.

Subsidiaries

As on March 31, 2012 and on the date of this Report, the Company has the following eight (8) subsidiaries:

New Cyberabad City Projects Private Limited
 PVP Energy Private Limited
 Maven Infraprojects Private Limited
 PVP Business Ventures Private Limited
 PVP Corporate Parks Private Limited
 AGS Hotels and Resorts Private Limited
 Cuboid Real Estates Private Limited
 PVP Business Towers Private Limited

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, 2012, of the above subsidiary companies with the balance sheet of the Company for the year ended March 31, 2012. 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.

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, 2012 read with the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

Auditors

M/s. CNGSN & Associates, the statutory auditors, hold office upto the conclusion of the forthcoming Annual General Meeting (AGM). The Company has received requisite certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed 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.

The Board of Directors recommend reappointment of M/s. CNGSN & Associates as the statutory auditors of the Company for the year 2012-13.

Consolidated Financial Statements

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

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 to the extent applicable are annexed as **Annexure-II** of this Report.

Directors' Responsibility Statement



PVP Ventures Limited

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, 2012 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

Your Directors acknowledge with gratitude the co-operation and assistance received from the bankers, joint development partners, financial institutions, shareholders, government agencies and business associates. Your Directors wish to place on record their deep sense of appreciation for the committed services by the employees of the Company.

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

Hyderabad

August 10, 2012

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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, 2012

| Name of the Subsidiary | NCCPL | PEL | PVPCP | AGS Hotels | M IPL | PVPBV | Cuboid | PVPBT |
|----------------------------------|-----------|------------|----------|------------|----------|----------|----------|----------|
| Particulars | | | | | | | | |
| Paid up capital | 12,470 | 56,028 | 5,000 | 35,810 | 100 | 100 | 100 | 100 |
| Reserves & Surplus | 50,838 | (7,77,059) | 3,32,945 | (32,036) | (51,507) | (332) | (164) | 3,507 |
| Total Assets (incl. Investments) | 25,46,783 | 17,15,495 | 3,39,829 | 3,834 | Nil | 5,50,067 | 3,50,001 | 7,55,309 |
| Total Liabilities | 24,83,476 | 24,36,526 | 1,883 | 60 | 51,407 | 5,50,299 | 3,50,065 | 7,51,702 |
| Investments | Nil | 2,41,176 | 1,64,800 | Nil | Nil | 5,49,999 | 3,50,000 | 5,09,700 |
| Turnover | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Profit/(Loss) Before Taxation | (248) | 5,994 | (283) | (137) | (28) | (110) | (44) | (28) |
| Provision for Taxation | Nil | 1,180 | (32) | Nil | Nil | Nil | Nil | Nil |
| Profit/(Loss) After Taxation | (248) | 4,814 | (251) | (137) | (28) | (110) | (44) | (28) |
| Proposed Dividend | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Abbreviations used:

NCCPPL-New Cyberabad City Projects Private Limited, PEL-PVP Energy Private Limited, PVPCP-PVP Corporate Parks Private Limited, AGS -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, 2012.
- 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 (PY-3,33,333) equity shares of ₹ 10 each fully paid @ ₹ 300 per share
- Investments made by PEL includes:
 - 10,90,235 (Previous year-10,90,235) equity shares of ₹ 10 each fully paid up of PVP Ventures Limited, the Holding Company @ ₹ 208 per share
 - 4,51,987 (Previous year- 6,85,487) equity shares of ₹ 10 each fully paid up of Picturehouse Media Limited @ ₹ 31.50 per share

August 10, 2012
Hyderabad

For and on behalf of the Board of Directors
Prasad V. Potluri
(Chairman and Managing Director)





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

| | | | | |
|-----------|---|---|---------------------|----------------------|
| A. | Conservation of Energy | | | |
| (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. | Technology absorption | | | |
| (e) | efforts made in technology absorption as per Form B of the Annexure | NA | | |
| C. | Foreign exchange earnings and outgo | | | |
| (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 immoveable properties are incapable of being exported. | | |
| (g) | Total foreign exchange used and earned | (₹ in Lakhs) | | |
| | | Particulars | Current year | Previous year |
| | | Foreign exchange earnings | NIL | NIL |
| | | Foreign exchange outgo: | | |
| | | Travel related Expenses | 0.00 | 4.35 |
| | | Other Expenses (London Stock exchange fee) | 10.41 | 9.18 |
| | | Total | 10.41 | 13.53 |

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

August 10, 2012

Hyderabad

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 27, 2011, August 11, 2011, August 25, 2011, November 14, 2011 and February 07, 2012. The maximum interval between any two Board meetings was of 80 days.

Attendance of Directors at Board Meetings for the financial year 2011-2012, and at the AGM and the number of directorships and memberships/ chairmanships of Board Committees as on March 31, 2012 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 | 5 | Yes | 2 | 1 | Nil |
| Mr. R. Nagarajan | 00443963 | 5 | Yes | 3 | 5 | 3 |
| Mr. N. S. Kumar | 00552519 | 5 | Yes | 3 | 4 | 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 2011-2012.

Prasad V. Potluri
 (Chairman & Managing Director)
 Hyderabad
 August 10, 2012

Committees of the Board

(I) Audit Committee

As on March 31, 2012, 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. Executives of Accounts & Finance Department and representatives of the Statutory and Internal Auditors attend the Audit Committee Meetings.

Meetings and attendance of the Audit Committee during the year

Four (4) meetings of the Audit Committee were held during the year on May 27, 2011, August 11, 2011, November 14, 2011 and February 07, 2012

| 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, 2012, 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 2011-12

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, 2012

| 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, 2012, 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.

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- (ii) All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- (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 and the Head-Finance and Accounts 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 30, 2009 (9.15 AM) | Nil |
| September 30, 2010 (10.00 AM) | Nil |
| September 28, 2011 (10.00 AM) | Nil |

B. Extra-Ordinary General Meetings

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

C. Postal Ballots

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, 2012 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 requests to receive the physical copy of these documents, will be 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.

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

| Provisions of non-mandatory requirements | Status |
|--|--|
| The Board (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. | Not applicable as the Company has an Executive Chairman. |
| (ii) Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company. | Not adopted |
| (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 | All the Independent Directors have requisite qualifications and experience in their respective fields. |
| Remuneration Committee | Adopted |
| Shareholder Rights 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 | Not adopted |
| Audit qualifications Company may move towards a regime of unqualified financial statements | Adopted |
| Training of Board Members | 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. |
| Mechanism for evaluating non-executive Board Members | Not adopted |
| Whistle Blower Policy | Not adopted |

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

August 10, 2012
Chennai

General Shareholder Information

Registered Office

KRM Centre, 9th 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, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031,
Phone: +91-44-30285570, Fax: +91-44-30285571
Email: 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
Karvy is also the depository interface of the Company with both NSDL and CDSL

Date, place and time of Annual General Meeting

September 26, 2012 at 10.00 AM
"Kamaraj Arangam", No.492, (Old No.574-A),
Anna Salai, Teynampet, Chennai-600006

Book Closure

September 17, 2012 to September 26, 2012
(both days inclusive)

Stock Market data

Monthly high and low quotations, in Rupees, of the shares traded at BSE and NSE from April 2011 to March 2012 are as follows:

| Month | Bombay Stock Exchange | | National Stock Exchange | |
|----------------|-----------------------|--------|-------------------------|--------|
| | Highest | Lowest | Highest | Lowest |
| April 2011 | 10.89 | 8.63 | 11.00 | 8.40 |
| May 2011 | 10.10 | 8.30 | 10.40 | 8.00 |
| June 2011 | 9.74 | 8.15 | 9.70 | 8.10 |
| July 2011 | 9.54 | 8.07 | 9.50 | 8.00 |
| August 2011 | 8.47 | 4.85 | 8.50 | 4.80 |
| September 2011 | 6.75 | 4.91 | 7.30 | 4.90 |
| October 2011 | 5.38 | 4.26 | 5.25 | 4.05 |
| November 2011 | 7.28 | 4.40 | 7.15 | 4.50 |
| December 2011 | 5.90 | 4.10 | 5.35 | 4.00 |
| January 2012 | 6.49 | 3.82 | 6.00 | 4.25 |
| February 2012 | 7.75 | 5.30 | 6.90 | 5.50 |
| March 2012 | 6.60 | 4.41 | 6.00 | 4.30 |

Financial Calendar 2012-13

Adoption of Quarterly Results for the Quarter ending:
June 30, 2012 August, 2012
September 30, 2012 November, 2012
December 31, 2012 February, 2013
March 31, 2013 May, 2013

Instead of publishing unaudited quarterly financial results for the last quarter, the Company may also opt to publish audited annual accounts by May 30, 2013.

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 2012-13 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

Distribution of Shareholding as on March 31, 2012

| No. of shares | No. of shareholders | % of shareholders | No. of shares | % to total Equity shareholding |
|----------------|---------------------|-------------------|------------------|--------------------------------|
| 1-5000 | 24054 | 71.90 | 36240760 | 1.48 |
| 5001-10000 | 3798 | 11.35 | 32987470 | 1.35 |
| 10001- 20000 | 2267 | 6.78 | 36364040 | 1.48 |
| 20001-30000 | 933 | 2.79 | 24541060 | 1.00 |
| 30001-40000 | 439 | 1.31 | 16060280 | 0.66 |
| 40001- 50000 | 489 | 1.46 | 23493040 | 0.96 |
| 50001-100000 | 750 | 2.24 | 58551200 | 2.39 |
| 100001 & above | 723 | 2.16 | 2222289160 | 90.69 |
| Total | 33453 | 100.00 | 245052701 | 100.00 |

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

Shareholding Pattern as on March 31, 2012

| 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 | 26,55,154 | 1.09 |
| Bodies Corporate | 2,16,22,384 | 8.83 |
| Non Resident Indians | 47,36,094 | 1.93 |
| Foreign Bodies Corporate | 2,45,05,270 | 10.00 |
| Custodian of GDRs | 92,218 | 0.04 |
| Resident Individuals | 5,00,04,175 | 20.04 |
| TOTAL | 24,50,52,701 | 100.00 |

Outstanding GDRs data

As on March 31, 2012, 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".

Share Capital Audit

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 10, 2012, Hyderabad

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CEO and CFO Certification

May 30, 2012

The Board of Directors

PVP Ventures Limited

Dear Sirs,

We, Prasad V. Potluri, Chairman & Managing Director and Mr. S. Kannan, Head-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, 2012 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)

S. Kannan
(Head-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, 2012, 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. 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 10, 2012

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 2011-12

During the year 2011-12, 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 decreased from ₹ 41,726.02 lac to ₹ 40,227.36 lac mainly due to amortization of goodwill to the tune of 1517.92 lakhs.

Secured Loans

Secured loans have decreased from ₹ 2,363.94 lac to ₹ 2,105.45 lac due to repayments during the year.

Unsecured Loans

The unsecured loan from Platex Limited has remained at ₹ 13,289.00 lac during the current year and no conversion debentures were effected during the year.

Fixed Assets

The Fixed Asset Schedule shows a net Goodwill amount of ₹ 9,108.27 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, written off the entire provision for diminution in value of investment of ₹100 lac, for the investments held in Picturehouse Media Limited due to increase in its share price.

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Inventories

As at March 31, 2012, lands owned by the Company at Perambur, Chennai and Raikuntha, Hyderabad are shown as inventories (WIP) with a book value of ₹ 8430.59 lac, shown under Other Non- Current assets.

Other Current Assets

Other Current Assets are deposits, interest accrued on debentures/deposits and advance income tax of ₹ 84.45 lacs.

Results of Operations

Income from operations is NIL for the year under review

Total Administrative and other expenses stand at ₹ 397.22 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 | 144.56 | 36.39% |
| Contribution to Provident Fund and Other Funds | 1.10 | 0.28% |
| Staff Welfare Expenses | 3.25 | 0.82% |
| Retirement Benefits | 27.05 | 6.81% |
| Rent | 26.97 | 6.79% |
| Power and Fuel | 4.10 | 1.03% |
| Communication | 6.55 | 1.65% |
| Legal and Professional Charges | 54.85 | 13.81% |
| Audit Fees | 14.05 | 3.54% |
| Other Services Fee | 4.41 | 1.11% |
| Books and Periodicals | 0.02 | 0.01% |
| Printing & Stationery | 5.12 | 1.29% |
| Postage and Telegrams | 2.86 | 0.72% |
| Listing Fees & Other Expenses | 22.71 | 5.72% |
| Security Charges | 3.98 | 1.00% |
| Office Expenses | 0.23 | 0.06% |
| Business Development Expenses | 2.23 | 0.56% |
| Director Sitting Fees | 3.60 | 0.91% |
| Repairs and Maintenance | | 0.00% |
| - Others | 13.44 | 3.38% |
| Insurance | 0.18 | 0.05% |
| Rates and Taxes | 9.16 | 2.31% |
| Travelling and conveyance | 46.22 | 11.64% |
| Bank charges and commission | 0.20 | 0.05% |
| Loss on sale of fixed assets | 0.00 | 0.00% |
| Miscellaneous Expenses | 0.38 | 0.10% |
| Total | 397.22 | 100.00% |

For and on behalf of the Board of Directors

August 10, 2012
Hyderabad

Prasad V. Potluri
(Chairman and Managing Director)



PVP Ventures Limited

Standalone Financial Statements and Notes



For Members Use



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 31st March 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with

PVP Ventures Limited

by this Report are in agreement with the Books of Account;

- (d) In our opinion the Balance Sheet, the Statement of Profit and Loss 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 31/03/2012 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) *Note 12 in notes on accounts, with regard to the investment in Equity shares and debentures of Subsidiary Companies. The carrying value of these investment and debentures as at the balance sheet date is ₹ 49192.00 lakhs (cost ₹ 79552.10 lakhs less provision already made ₹ 30360.10 lakhs). The management considers these investments as long term and not provided for the diminution in value of these investments. In the absence of materials, we are not expressing any opinion on the amount of investments and provisions carried in the balance sheet.*
 - (ii) *Note 13 in notes on accounts, with regard to the advances given to subsidiaries. The carrying value of these loans and advances as at the balance sheet date is ₹ 35377.77 lakhs (Loans and advances ₹ 40537.93 lakhs less provision already made ₹ 5160.16 lakh). The management considers these loans and advances as long term and not provided for the diminution in value of these loans and advances. In the absence of materials, we are not expressing any opinion on these amounts of loans and advances and the provisions.*

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- (iii) *Further we invite the attention of the members to the following material matters given in notes relating to the status of project at Perambur, Chennai, interest waiver on debentures issued and received, non providing of interest on loans obtained to the extent of ₹ 336.72 lakhs and contingent liabilities shown for the disputed income tax demands.*
- (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 31st March 2012,
- (ii) In the case of Statement of Profit and Loss, 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

Place: Chennai
Date: 30th May, 2012

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 interest free 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 ₹40571.91 lakhs. In the absence of materials available, we are unable to ascertain whether the rate of interest, terms and conditions of loans, receipt of principal and overdue amounts are there or not.
- b. According to the information and explanations given to us, the Company has taken unsecured interest free loans from three subsidiary 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 ₹ 4750.57 lakhs. Therefore the rate of interest, terms and conditions, repayment are not applicable.
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.

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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. There are no undisputed Statutory outstanding dues as at 31st March 2012 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), Chennai for the Asst year 2008-09 ₹ 16497.15 lakhs, disputed before the CIT(Appeals), Hyderabad for the Asst year 2007-08 ₹ 346.01 lakhs and disputed before ITAT, Hyderabad for the Asst year 2007-08 ₹ 473.30 lakhs.
10. In our opinion and according to the information and explanation given to us, the accumulated loss 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 the 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 not made allotment of shares during the year.
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. Attention is invited to the note relating to the status of CBI investigation and as represented by the management, these investigations shall not have any impact on the financials for the year.

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

R. THIRUMALMARUGAN
PARTNER

Membership No.200102
Firm Registration No. 004915S

Place: Chennai
Date: 30th May, 2012



PVP Ventures Limited

Balance Sheet as at March 31, 2012

(₹ in Lakhs)

| | Note No. | As at March 31, 2012 | | As at March 31, 2011 | |
|--|----------|----------------------|------------|----------------------|-----------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' Funds | | | | | |
| (a) Share Capital | 2 | 24,505.27 | | 24,505.27 | |
| (b) Reserves and Surplus | 3 | 40,227.36 | | 41,726.02 | |
| (c) Money Received against Share Warrants | | - | 64,732.63 | - | 66,231.29 |
| (2) Share application money pending allotment | | | | | |
| | | - | | - | |
| (3) Non-current liabilities: | | | | | |
| (a) Long-term borrowings | 4 | 20,220.02 | | 20,493.61 | |
| (b) Deferred tax liabilities (Net) | | - | | - | |
| (c) Other Long-term liabilities | 5 | 12,163.24 | | 10,000.00 | |
| (d) Long-term provisions | 6 | 27.05 | 32,410.31 | - | 30,493.61 |
| (4) Current liabilities: | | | | | |
| (a) Short-term borrowings | | - | | - | |
| (b) Trade payables | 7 | 23.60 | | 17.78 | |
| (c) Other current liabilities | 8 | 7,587.48 | | 516.44 | |
| (d) Short-term provisions | 9 | - | 7,611.08 | 197.83 | 732.05 |
| TOTAL | | | 104,754.02 | | 97,456.95 |
| II. ASSETS: | | | | | |
| (1) Non-current assets | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible assets | 10 | 1,638.69 | | 1,545.97 | |
| (ii) Intangible assets | 11 | 9,108.27 | | - | |
| (iii) Capital work-in-progress | | - | | - | |
| (iv) Intangible assets under development | | - | | - | |
| (b) Non-current investments | 12 | 49,924.10 | | 49,824.10 | |
| (c) Deferred tax assets (Net) | | - | | - | |
| (d) Long-term loans and advances | 13 | 35,452.03 | | 26,025.39 | |
| (e) Other non-current assets | 14 | 8,430.59 | 104,553.68 | 8,420.29 | 96,441.94 |
| (2) Current assets | | | | | |
| (a) Current investments | | - | | - | |
| (b) Inventories | | - | | - | |
| (c) Trade receivables | | - | | - | |
| (d) Cash and cash equivalents | 15 | 109.76 | | 966.60 | |
| (e) Short-term loans and advances | 16 | 6.13 | | 0.40 | |
| (f) Other current assets | 17 | 84.45 | 200.34 | 48.01 | 1,015.01 |
| TOTAL | | | 104,754.02 | | 97,456.95 |
| See accompanying notes to the financial statements | | | | | |

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

R. Thirumalmarugan
(Partner)
Membership No : 200102

Place: Chennai
Date : May 30, 2012

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and
Managing Director)

Kannan S.
(Head-Finance & Accounts)

Place: Chennai
Date : May 30, 2012

R. Nagarajan
(Director)

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

N. S. Kumar
(Director)

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in Lakhs)

| | Note No. | For the Year Ended March 31,2012 | For the Year Ended March 31,2011 |
|--|----------|----------------------------------|----------------------------------|
| I Revenue from operations | | - | - |
| II Other income | 18 | 334.28 | 32.42 |
| III Total Revenue (I + II) | | 334.28 | 32.42 |
| IV Expenses: | | | |
| a Cost of materials consumed | | - | - |
| b Purchases of Stock-in-Trade | | - | - |
| c Changes in inventories of finished goods work-in-progress and Stock-in-Trade | | - | - |
| d Employee benefit expenses | 19 | 175.96 | 36.12 |
| e Finance costs | | 1.27 | 612.84 |
| f Depreciation and amortization expenses | 10 | 13.55 | 8.58 |
| g Other expenses | 20 | 221.26 | 204.77 |
| Total expenses | | 412.04 | 862.31 |
| V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV) | | (77.76) | (829.89) |
| VI Exceptional items | 21 | (100.00) | (2,000.00) |
| VII Profit/(Loss) before extraordinary items and tax (V - VI) | | 22.24 | 1,170.11 |
| VIII Extraordinary items | | - | - |
| IX Profit/(Loss) before tax (VII - VIII) | | 22.24 | 1,170.11 |
| X Tax expenses | | | |
| (1) Current tax | | - | 187.40 |
| (2) Deferred tax | | - | - |
| (3) of Earlier Year | | 2.98 | - |
| XI Profit / (Loss) for the year from continuing operations (IX -X) | | 19.26 | 982.71 |
| XII Profit / (Loss) from discontinuing operations | | - | - |
| XIII Tax expenses of discontinuing operations | | - | - |
| XIV Profit / (Loss) from discontinuing operations (after tax) (XII - XIII) | | - | - |
| XV Profit / (Loss) for the year (XI + XIV) | | 19.26 | 982.71 |
| XVI Earnings per share after extraordinary items: Basic & Diluted | | 0.01 | 0.42 |
| See accompanying notes to the financial statements | | | |

As per our Report of even date
For **M/s. CNGSN & Associates**

Chartered Accountants
Firm.Reg.No. 004915S

R. Thirumalmarugan

(Partner)

Membership No : 200102

Place: Chennai

Date : May 30, 2012

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and
Managing Director)

R. Nagarajan
(Director)

N. S. Kumar
(Director)

Kannan S.
(Head-Finance & Accounts)

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

Place: Chennai

Date : May 30, 2012



CASH FLOW STATEMENT for the year ended March 31, 2012

(₹ in Lakhs)

| | March 31,2012 | March 31,2011 |
|---|----------------------|----------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Profit Before Tax | 22.24 | 1,170.11 |
| Adjustments for: | | |
| Depreciation | 13.55 | 8.58 |
| Loss on sale of fixed assets | - | 32.22 |
| Interest paid | 1.27 | 612.84 |
| Interest received | (284.06) | (5.33) |
| Dividend Income | (50.22) | - |
| Excess Provision Written Back | (100.00) | (100.00) |
| Operating Profit Before Working Capital changes | (397.22) | 1,718.42 |
| Adjustments for: | | |
| Increase/(Decrease) in Other Long Term Liabilities | 2,163.24 | 500.00 |
| Increase/(Decrease) in Long Term Provisions | 27.05 | (25.66) |
| Increase/(Decrease) in Trade Payables | 5.82 | (58.11) |
| Increase/(Decrease) in Other Current Liabilities | 7,071.04 | (0.84) |
| (Increase)/Decrease in Long Term Advances | (9,426.64) | (3,851.19) |
| (Increase)/Decrease in Non Current Assets | (10.30) | - |
| (Increase)/Decrease in Inventories | - | (14.65) |
| (Increase)/Decrease in Short Term Loans and Advances | (5.73) | - |
| (Increase)/Decrease in Other Current Assets | (2.45) | 4.79 |
| Cash Generated from Operations | (575.18) | (1,727.24) |
| Direct Taxes paid including TDS | (234.80) | - |
| Net Cash from Operating Activities | (809.99) | (1,727.24) |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Purchase/addition to Fixed Assets | (106.27) | (3.30) |
| Proceeds on sale of Fixed Assets | - | 8.89 |
| Dividend Received | 50.22 | - |
| Interest received | 284.06 | 5.33 |
| Net Cash used in Investing Activities | 228.01 | 10.92 |
| C. CASH FROM FINANCING ACTIVITIES | | |
| Interest paid | (1.27) | (612.84) |
| Repayment of long term borrowings | (273.59) | (3,931.64) |
| Net Cash from Financing Activities | (274.86) | (4,544.48) |
| Net increase in cash and cash equivalents | (856.84) | (6,260.80) |
| Cash and cash equivalents at the beginning of the year | 966.60 | 7,227.40 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 109.76 | 966.60 |

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

R. Thirumalmarugan
(Partner)
Membership No : 200102

Place: Chennai
Date : May 30, 2012

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and
Managing Director)

Kannan S.
(Head-Finance & Accounts)

Place: Chennai
Date : May 30, 2012

R. Nagarajan
(Director)

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

N. S. Kumar
(Director)

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NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|---|-----------------------------------|-----------------------------------|
| Note: 2(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share | | |
| Authorised Share Capital 300000000 Equity Shares of ₹ 10/- each | 30,000.00 | 30,000.00 |
| Issued, Subscribed and Paid Up 245,052,701 (2011: 245,052,701) equity shares of ₹ 10 each | 24,505.27 | 24,505.27 |
| | 24,505.27 | 24,505.27 |
| (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year | 245,052,701 | 231,643,387 |
| Add: Number of Shares allotted during the year | - | 13,409,314 |
| Less: Number of Shares bought back | - | - |
| Number of equity shares outstanding as at the end of the year | 245,052,701 | 245,052,701 |

(C) Shareholding in the company of the holding company
Platex Limited 132,612,766 132,612,766

(D) Shares in the company held by each shareholder holding more than 5%:

| Name of shareholder | No of shares at year end 2012 | % as at year end | No of shares at year end 2011 | % as at year end |
|--------------------------------|----------------------------------|---------------------|----------------------------------|---------------------|
| Platex Limited | 132,612,766 | 54.12 | 132,612,766 | 54.12 |
| Black Kite Investments Limited | 24,505,270 | 10.00 | 24,505,270 | 10.00 |

- 13,409,314 equity shares of ₹.10 each fully paid-up in cash has been issued to Platex Ltd upon conversion of 27,355 FCDs of ₹.100,000 each at conversion price of ₹. 204 per share in terms of the Scheme of Amalgamation during 2010-11.
- 173,759,567 equity shares of ₹. 10 each fully paid up have been issued pursuant to the Scheme of Amalgamation of PVP Ventuers Private Limited with the Company during 2007-08.
- 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



NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012

Note-3 RESERVES AND SURPLUS

| Name of shareholder | As at 31-3-2011 | Additions during the year | Deductions during the year | As at 31-3-2012 |
|---|--------------------|---------------------------------|----------------------------------|--------------------|
| Securities Premium Reserve | 77,511.10 | - | - | 77,511.10 |
| Surplus (P&L a/c) as under: | (35,785.08) | (1,498.66) | - | (37,283.74) |
| | 41,726.02 | (1,498.66) | - | 40,227.36 |
| Opening Balance | (35,249.86) | | | (35,785.08) |
| Profit / (Loss) for the year - From P & L | 982.71 | 19.26 | - | 19.26 |
| Less: Proposed dividends | - | - | - | - |
| Tax on distributed profits | - | - | - | - |
| Less: Amortization of Goodwill | 1,517.92 | 1,517.92 | - | 1,517.92 |
| Balance of Profit / (Loss) | (35,785.08) | (1,498.66) | - | (37,283.74) |

- Consequent upon merger of erstwhile PVP Ventures Private Limited with the Company, goodwill of ₹. 15,179.21 lakhs was created which represented the excess of liabilities over assets taken over on merger. In terms of the Scheme of Amalgamation and the decision of the Board, it is being written 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.

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--|-----------------------------------|-----------------------------------|
|--|-----------------------------------|-----------------------------------|

Note-4 LONG TERM BORROWINGS

SECURED LOANS

Term Loans:

| | | |
|---|-----------------|-----------------|
| From Other - L&T Infrastructure Finance Company Limited | 2,105.45 | 2,363.95 |
| A | <u>2,105.45</u> | <u>2,363.95</u> |

- Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited and Part of the shares held by PVP Energy Private Limited has been given as collateral security and the same is guaranteed by the promoters.

- The Company has not provided for the interest for the year of ₹ 336.72 lakhs on LTIF dues.

UNSECURED LOANS

Debentures

13,289 (2011: 13,289), 14.5% Redeemable

Fully Convertible Debentures (FCDs) of ₹. 100,000 each

from Platex Ltd, Holding Company 13,289.00 13,289.00

Other loans and advances

| | | |
|-----------------------------|----------|----------|
| - From Subsidiary Companies | 4,750.57 | 4,765.66 |
| - From Other Body Corporate | 75.00 | 75.00 |

B 18,114.57 18,129.66

A+B 20,220.02 20,493.61

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NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012

- Platex Limited has extended the conversion/redemption option of the outstanding FCDs to March 31, 2013.
- The Debentureholder had waived the interest receivable on these FCDs for the entire year. Accordingly, the Company has not recorded the interest expenditure on FCDs amounting to ₹. 1,926.91 lakhs (2011: ₹. 5,143.55 lakhs) in its books of account.

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--------|---|-----------------------------------|
| Note-5 | OTHER LONG TERM LIABILITIES | |
| | Security Deposit from Developer - Unsecured | 12,163.24 10,000.00 |
| | | <u>12,163.24 10,000.00</u> |
| Note-6 | LONG TERM PROVISIONS | |
| | Employee Benefits | 27.05 - |
| | | <u>27.05 -</u> |

The following tables sets forth the status of the Gratuity Plan of the Company and the amounts recognized in its financial statements

Principal Actuarial assumptions used

| | Year ended March 31, 2012 |
|---|------------------------------|
| Discount rates | 0.09 |
| Expected salary increase rates | 0.08 |
| Expected rate of return on plan assets | Nil |
| Expected Average remaining working lives of employees (years) | 24 years |

Reconciliation of opening and closing balances of the present value of the obligations

| | Year ended March 31, 2012 (₹. In lakhs) |
|--|--|
| Present Value of Obligation at the beginning of the period | Nil |
| Current service cost | 2.04 |
| Interest cost | 5.63 |
| Actuarial loss/(gain) | Nil |
| Benefits paid | Nil |
| Present Value of obligation at the end of the period | <u>7.67</u> |

Cost for the period

| | Year ended March 31, 2012 (₹. In lakhs) |
|-----------------------|--|
| Current service cost | 2.04 |
| Interest cost | 5.63 |
| Actuarial (gain)/loss | Nil |
| Cost recognized | <u>7.67</u> |



PVP Ventures Limited

Amounts recognized in the balance sheet

| | Year ended March 31, 2012 (₹. In lakhs) |
|------------------------------------|---|
| Present value of funded obligation | 7.67 |
| Less: Fair value of assets* | Nil |
| Net Liability / (Asset) | 7.67 |

*The Company has not created any Trust for meeting the liability and not funded so far and hence no assets are available for valuation and hence there are no disclosures pertaining to plan assets.

The following tables sets forth the status of the Leave Encashment Plan of the Company and the amounts recognized in the financial statements

Principal Actuarial assumptions used

| | Year ended March 31, 2012 |
|---|------------------------------|
| Discount rates | 0.09 |
| Expected salary increase rates | 0.08 |
| Expected rate of return on plan assets | - |
| Expected Average remaining working lives of employees (years) | 24 years |

Reconciliation of opening and closing balances of the present value of the obligations

| | Year ended March 31, 2012 (₹. In lakhs) |
|--|---|
| Present Value of Obligation at the beginning of the year | Nil |
| Current service cost | 19.38 |
| Interest cost | Nil |
| Actuarial loss/(gain) | Nil |
| Benefits paid | Nil |
| Projected benefit obligation at the end of the period | 19.38 |

Cost for the period

| | Year ended March 31, 2012 (₹. In lakhs) |
|-----------------------|---|
| Current service cost | 19.38 |
| Interest cost | Nil |
| Actuarial (gain)/loss | Nil |
| Cost recognized | 19.38 |

Amounts recognized in the balance sheet

| | Year ended March 31, 2012 (₹. In lakhs) |
|------------------------------------|---|
| Present value of funded obligation | 19.38 |
| Less: Fair value of assets | - |
| Net Liability / (Asset) | 19.38 |

The Actuary has not furnished the data related to experience adjustment and estimate for the next year.

Defined contribution plans

In respect of the defined contribution plans, an amount of ₹ 1.10 lakhs (2011: 0.56 lakhs) has been recognized in the statement of Profit and Loss.

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| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|----------------------------------|-----------------------------------|-----------------------------------|
| Note-7 | | |
| TRADE PAYABLE | | |
| Sundry Creditors for services | 23.60 | 17.78 |
| | <u>23.60</u> | <u>17.78</u> |
| Note-8 | | |
| OTHER CURRENT LIABILITIES | | |
| Advance received for sale of UDS | 7,423.12 | 500.00 |
| Due to Developer | 155.66 | - |
| Unclaimed dividends | - | 2.43 |
| Statutory Liabilities payable | 8.70 | 14.01 |
| | <u>7,587.48</u> | <u>516.44</u> |
| Note-9 | | |
| SHORT TERM PROVISIONS | | |
| Provision for income tax | - | 197.83 |
| | <u>-</u> | <u>197.83</u> |

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012

Note-10 :FIXED ASSETS - TANGIBLE

₹ in Lakhs

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | |
|----------------------|------------------------|----------|----------|--------------------------|----------|----------|------------------------|------------------------|
| | As at 31st March, 2011 | Addition | Deletion | As at 31st March, 2011 | Addition | Deletion | As at 31st March, 2012 | As at 31st March, 2011 |
| Land | 1,516.77 | - | - | - | - | - | - | 1,516.77 |
| Plant & Equipment | 4.60 | - | - | 2.49 | 0.18 | - | 2.67 | 1.93 |
| Furniture & Fixtures | 0.05 | 92.34 | - | 0.01 | 4.00 | - | 4.01 | 88.38 |
| Vehicles | 23.68 | - | - | 7.63 | 2.26 | - | 9.89 | 13.79 |
| Office Equipments | 37.08 | 13.93 | - | 26.08 | 7.11 | - | 33.19 | 17.82 |
| | 1,582.18 | 106.27 | - | 36.21 | 13.55 | - | 49.76 | 1,638.69 |
| | | | | | | | | 1,545.97 |

Note-11 - FIXED ASSETS - INTANGIBLE

₹ in Lakhs

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | |
|-------------|------------------------|----------|----------|--------------------------|----------|----------|------------------------|------------------------|
| | As at 31st March, 2011 | Addition | Deletion | As at 31st Mar, 2011 | Addition | Deletion | As at 31st March, 2012 | As at 31st March, 2011 |
| Goodwill | 15,179.21 | - | - | 4,553.02 | 1,517.92 | - | 6,070.94 | 9,108.27 |
| | 15,179.21 | - | - | 4,553.02 | 1,517.92 | - | 6,070.94 | 10,626.19 |
| | | | | | | | | 9,108.27 |
| | | | | | | | | 10,626.19 |

| | | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|---------|--|-----------------------------------|-----------------------------------|
| Note-12 | NON CURRENT INVESTMENTS | | |
| A | Investment in equity instruments LONG TERM - AT COST - TRADE | | |
| (i) | Quoted | | |
| | Picturehouse Media Limited 3,353,114 equity shares of ₹. 10 each [Market value as at March 31, 2012: ₹ 865.10 Lakhs (2011: ₹. 425.51 Lakhs)] | 531.05 | 531.05 |
| | Less: Provision for diminution in value of investment | - | 100.00 |
| | (A) | 531.05 | 431.05 |
| (ii) | Unquoted | | |
| | PVP Corporate Parks Private Limited 500,000 equity shares of ₹.10 each (Out of this 4,99,999 equity shares have been given as security to L&T Infrastructure Finance Company Limited) | 50.00 | 50.00 |
| | AGS Hotels and Resorts Private Limited 3,581,000 equity shares of ₹.10 each | 358.10 | 358.10 |
| | PVP Energy Private Limited 5,602,869 equity shares of ₹.10 each fully paid up 45,92,869 equity shares of ₹.10 each fully paid up with a premium of ₹.1,168/- of each | 54,205.00 | 54,205.00 |
| | New Cyberabad City Projects Private Limited 1,010,000 equity shares of ₹.10 each fully paid up | 101.00 | 101.00 |
| | Maven Infraprojects Private Limited 10,000 equity shares of ₹.10 each fully paid up | 1.00 | 1.00 |
| | PVP Business Ventures Private Limited 10,000 equity shares of ₹.10 each fully paid up | 1.00 | 1.00 |
| | PVP Business Towers Private Limited 10,000 equity shares of ₹.10 each fully paid up | 1.00 | 1.00 |
| | Cuboid Real Estate Private Limited 10,000 equity shares of ₹.10 each fully paid up | 1.00 | 1.00 |
| | | 54,718.10 | 54,718.10 |
| | Less: Provision for diminution in value of investment | 30,358.10 | 30,358.10 |
| | (B) | 24,360.00 | 24,360.00 |
| II. | Other than Trade in Non Subsidiaries | | |
| (i) | Quoted | | |
| | Aptech Limited 100 equity shares of ₹.10 each paid up [Market value as at March 31, 2012 - ₹ 0.07 Lakhs (2011: ₹. 0.09 Lakhs)] | 0.05 | 0.05 |
| (ii) | Unquoted | | |
| | PVP Star Hotels Private Limited 12,500 Equity Shares of ₹.10 each fully paid up | 201.00 | 201.00 |



PVP Ventures Limited

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|-----|---|-----------------------------------|
| B | Investment in preference shares | |
| (i) | Quoted | |
| | CFL Capital Financial Services Limited | |
| | 2.00 | 2.00 |
| | 2,000 13% cumulative preference share of ₹. 10 each paid up | |
| | [Market value as at March 31, 2012 - Nil (2011: Nil)] | |
| | 2.00 | 2.00 |
| | Less: Provision for diminution in value of investment | |
| | - | - |
| C | Investment in debentures | |
| | New Cyberabad City Projects Private Limited | |
| | 24,832 22% Redeemable Non Convertible Debentures | |
| | (NCDs) of ₹. 100,000 each | |
| | 24,832.00 | 24,832.00 |
| | Aggregate amount of quoted investments | |
| | 533.10 | 533.10 |
| | Aggregate amount of unquoted investments | |
| | 54,919.10 | 54,919.10 |
| | Aggregate amount of debentures | |
| | 24,832.00 | 24,832.00 |
| | 80,284.20 | 80,284.20 |
| | Less: Aggregate provision made for diminution in value | |
| | 30,360.10 | 30,460.10 |
| | 49,924.10 | 49,824.10 |

(These NCDs are redeemable at par at any time on or before March 31, 2014)

The Company has waived interest income receivable on NCDs and accordingly it has not recorded the interest income for the year amounting to ₹. 5,463.04 lakhs (2011: ₹. 5,463.04 lakhs) in its books of account.

Considering the provisions already made for the diminution in the value of investments 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.

Note-13 LONG TERM LOANS AND ADVANCES

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|---|-----------------------------------|-----------------------------------|
| Unsecured and considered good | - | - |
| Security Deposits | 12.41 | 3.07 |
| Advance to Platex Limited (Holding Company) | 21.18 | 21.18 |
| Advance to Subsidiaries | 35,377.77 | 25,946.72 |
| Advance to Others | 40.67 | 54.42 |
| Considered doubtful - advance to subsidiaries | 5,160.16 | 5,160.16 |
| Considered doubtful - advance to others | 3,051.88 | 3,051.88 |
| | 43,664.07 | 34,237.43 |
| Less: Provision for doubtful advances | 8,212.04 | 8,212.04 |
| | 35,452.03 | 26,025.39 |

Considering the provisions already made 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.

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| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|---|-----------------------------------|-----------------------------------|
| Note-14 OTHER NON CURRENT ASSETS | | |
| Others - Inventory of land | 8,430.59 | 8,420.29 |
| | 8,430.59 | 8,420.29 |
| Note-15 CASH AND CASH EQUIVALENTS | | |
| Balance with banks | 76.48 | 923.67 |
| Cash on hand | 0.04 | 2.29 |
| Unpaid dividend account | - | 2.43 |
| Bank Deposits with more than 12 months maturity | 33.24 | 38.21 |
| | 109.76 | 966.60 |
| Note-16 SHORT TERM LOANS AND ADVANCES | | |
| Unsecured - Considered good | | |
| Staff Advances | 6.13 | 0.40 |
| | 6.13 | 0.40 |
| Note-17 OTHER CURRENT ASSETS | | |
| Interest accrued and due on investments | 3.61 | 4.23 |
| Advance Income Tax | 77.77 | 43.78 |
| Prepaid Expenses | 3.07 | - |
| | 84.45 | 48.01 |

**NOTES TO THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012**

₹ in Lakhs

| | For the year ended 31.03.2012 | For the year ended 31.03.2011 |
|--|-------------------------------------|-------------------------------------|
| Note-18 OTHER INCOME | | |
| Interest income | 284.06 | 5.33 |
| Dividend income | 50.22 | - |
| Miscellaneous income | - | 27.09 |
| | <u>334.28</u> | <u>32.42</u> |
| Note-19 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 144.56 | 33.50 |
| Contribution to PF and other funds | 1.10 | 0.56 |
| Staff welfare expenses | 3.25 | 2.06 |
| Retirement Benefits | 27.05 | - |
| | <u>175.96</u> | <u>36.12</u> |
| Note-20 OTHER EXPENSES | | |
| Rent | 26.97 | 28.86 |
| Power & Fuel | 4.10 | 4.01 |
| Communication Expenses | 6.55 | 5.56 |
| Legal, Professional and consultancy | 54.85 | 16.24 |
| Books & Periodicals | 0.02 | 0.33 |
| Insurance | | |
| - For Vehicles | 0.18 | 1.11 |
| Printing & Stationery | 5.12 | 4.40 |
| Postage & Telegrams | 2.86 | 3.36 |
| Listing Fees & Others Expenses | 22.71 | 15.01 |
| Security Charges | 3.98 | 2.76 |
| Office Expenses | 0.23 | 7.51 |
| Business Development Expenses | 2.23 | 6.78 |
| Directors Sitting Fees | 3.60 | 3.60 |
| Repairs & Maintenance | | |
| - For Others | 13.44 | 10.37 |
| Rates and taxes | 9.16 | 9.62 |
| Payment to statutory auditors | - | - |
| as auditors | 14.05 | 14.34 |
| for tax audit | 2.76 | - |
| for certification | 1.65 | 1.27 |
| Bank Charges & Commission | 0.20 | 0.21 |
| Loss on sale of fixed assets | - | 32.22 |
| Travelling Expenses and Conveyance | 46.22 | 35.58 |
| Miscellaneous expenses | 0.38 | 1.63 |
| | <u>221.26</u> | <u>204.77</u> |
| Note-21 EXCEPTIONAL ITEMS | | |
| Compensation Received | - | (1,900.00) |
| Provision No Longer Required on Investments written back | (100.00) | (100.00) |
| | <u>(100.00)</u> | <u>(2,000.00)</u> |

Note-1 Significant Accounting Policies

1.1 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.

1.2 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.

1.3 Revenue Recognition

As a consistent practice, the Company recognizes revenues on accrual basis. Revenue from sale of undivided share of land is recognised upon transfer of all significant risks and rewards of ownership, which coincides with registering sale deeds in favour of buyers. Revenue from dividend is recognised upon right to receive the dividend is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

1.4 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.

1.5 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.

1.6 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.

1.7 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 which ever is lower.

1.8 Inventories

Inventories primarily constitute land and related development activities, which is valued at lower of cost or Net Realizable Value. Cost comprises of all expenses incurred for the purpose of acquisition of land, development of the land and other related direct expenses.

1.9 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 statement of Profit & Loss.

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 statement of Profit & Loss.

Other Benefit Plans

Contributions paid/ payable under defined contribution plans are recognized in the statement of Profit and Loss 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.

1.10 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.

1.11 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.

1.12 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. All other borrowing costs are charged to statement of profit and loss.

1.13 Foreign Currency Transactions

Foreign currency transactions 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 statement of profit and loss.

1.14 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 statement of profit & loss 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.

1.15 Cash Flow Statement

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

1.16 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 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.

Note 22. Other Items

22.1 Joint Development Agreement for Perambur Project

- (a) During the year, the first few phases of Perambur Project were launched and received good response from the market.
- (b) During the year, the Company received additional security deposit of ₹ 3,000.00 lakhs from the Developer, taking up the total security deposit to ₹ 13,000.00 lakhs. Developer adjusted ₹ 836.76 lakhs in terms of the JDA and as on March 31, 2012, the outstanding security deposit is

₹ 12,163.24 lakhs (PY: ₹ 10,000.00 lakhs).

- (c) The Company received ₹ 7,423.12 lakhs (PY: ₹ 500 lakhs) as its share of collections from the Project, however, pending transfer of significant risks and rewards over the undivided share of land which coincides with registering the sale deed, the Company has shown this amount as advance for sale received from customers. Further, the Company received ₹ 227.46 lakhs (gross amount) from the Developer as interest on delayed payments, which is shown as other income for the year.
- (d) The share of expenditure related to the Project to be borne by the Company till March 31, 2012 is ₹ 513.71 Lakhs. Whenever the Developer adjusts the amount from the future share of collection, the same shall be accounted for in the books of the Company.

22.2 During the year, the Management classified Perambur land from inventory to fixed asset w.e.f. June 01, 2011. However, with effect from March 01, 2012, the management decided to re-classify it back to Inventory in accordance with the Accounting Standard and the expert opinion. However, there is no impact on such re-classifications on these financial statements of the Company for the year.

22.3 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.

22.4 Considering the brought forward losses available for set-off, there is no tax liability for this year. Further, there is no MAT liability u/s 115JB of the Income Tax Act for this year.

22.5 Lease Rentals

The Company has entered into operating leases agreements for office premises and an amount of ₹ 26.97 lakhs (2011: ₹ 28.86 lakhs) paid under such agreement have been charged to statement of Profit & Loss. The Company does not have any asset on financial lease during the year.

22.6 Earnings per Share (EPS)

| Particulars | | Year ended March 31, 2012 | Year ended March 31, 2011 |
|--|-----|------------------------------|------------------------------|
| Nominal Value of Equity Shares (₹ per Share) | A | 10 | 10 |
| No. of Shares outstanding as at the year end | B | 245,052,701 | 245,052,701 |
| Weighted average number of Equity Shares outstanding during the period | C | 245,052,701 | 234,178,298 |
| Profit/(Loss) after Taxes Before Exceptional items (₹ in Lakhs) | D | (80.74) | (1017.29) |
| Profit/(Loss) after Taxes After Exceptional items (₹ in Lakhs) | E | 19.26 | 982.71 |
| Earnings Per Share – Basic and diluted (Before Extraordinary items) (in ₹) | D/B | (0.03) | (0.42) |
| Earnings Per Share – Basic and diluted (After Extraordinary items) (in ₹) | E/C | 0.01 | 0.42 |

Since, the potential equity shares arising out of FCDs outstanding as at March 31, 2012 would be anti-dilutive in nature, hence the same not considered for the above EPS calculation.

22.7 Related Party Disclosures

List of related parties where control exists and related parties with whom transactions have taken place and relationships are as follows:

| Names of the Related party | Relationship |
|--|--|
| Platex Limited (PL) | Holding Company |
| PVP Energy Private Limited (PEL) New Cyberabad City Projects Private Limited (NCCPPL) PVP Corporate Parks Private Limited (PCPL) AGS Hotels and Resorts Private Limited (AGR) Maven Infraprojects Private Limited (MIL) PVP Business Towers Private Limited (PVPBT) PVP Business Ventures Private Limited (PVPBV) Cuboid Real Estates Private Limited (CRE) | Subsidiary Companies |
| Mr. Prasad V. Potluri, Chairman and Managing Director (PV) | Key Managerial Personnel (KMP) |
| Maven BPO Services Private Limited (MBSPL) Whitcity Infrastructure (India) Private Limited (WIL) Godavari Infracore Private Limited (GIPL) Waltair Promoters Private Limited (WPPL) PKP Infraprojects Private Limited (PKP) PVP Megapolis Private Limited (PMPL) Bruma Properties Private Limited (BPPL) | Enterprises where KMP exercise significant influence |

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Summary of transactions with the related parties, during the year ended March 31, 2012 and balances as at the March 31, 2012

| Nature of transactions | Transactions during the year ended | |
|---|------------------------------------|--------------------------------|
| | March 31, 2012 (₹ in Lakhs) | March 31, 2011 (₹ in Lakhs) |
| (i) Advances/Loans given | | |
| a) Holding Company – PL | Nil | 13.40 |
| b) Subsidiary Company – PEL | 9,430.04 | 2,800.38 |
| c) Enterprises where significant influence exists – WIL | Nil | 0.01 |
| (ii) Repayment of Loans given | | |
| a) Subsidiary Company – PBV | Nil | 1.00 |
| – CRE | Nil | 1.75 |
| b) Enterprises where significant influence exists – PVPML | Nil | 0.24 |
| – GIPL | Nil | 0.86 |
| – PKP | Nil | 0.04 |
| – WPPL | Nil | 0.05 |
| – WIL | Nil | 0.01 |
| (iii) Advances/Loans availed | | |
| a) Subsidiary Company – NCCPL | Nil | 49.00 |
| – PCPL | Nil | 2536.51 |
| (iv) Loans Repaid | | |
| a) Subsidiary Company – NCCPPL | 15.00 | 430.45 |
| – PCPL | Nil | 12.94 |
| – AGR | 2.00 | 0.96 |
| (v) Purchase of Assets | | |
| a) Subsidiary Company – PCPL | 0.91 | Nil |

The outstanding balances as at the March 31, 2012

| Particulars | Outstanding balance as at | |
|---|--------------------------------|--------------------------------|
| | March 31, 2012 (₹ in Lakhs) | March 31, 2011 (₹ in Lakhs) |
| a) Advances Receivable | | |
| Holding Company – PL | 21.18 | 21.18 |
| Subsidiary Company – PEL | 23,638.19 | 14,208.14 |
| – PBV | 5,501.94 | 5,501.94 |
| – CRE | 3,500.27 | 3,500.27 |
| – MIL | 450.10 | 450.10 |
| – PBT | 7,446.41 | 7,446.41 |
| Enterprises where significant influence exists – BPPL | 35.00 | 35.00 |
| b) Unsecured Loans | | |
| Subsidiary Company – NCCPL | 3,013.72 | 3,028.72 |
| – PCPL | 1,698.47 | 1,697.56 |
| – AGR | 37.38 | 39.38 |
| (c) Debentures issued | | |
| Holding Company – PL | 13,289.00 | 13,289.00 |
| (d) Debentures subscribed | | |
| Subsidiary Company – NCCPPL | 24,832.00 | 24,832.00 |

22.8 During the year, the Company and few of its subsidiaries had received notices from the Central Bureau of Investigation (CBI), who is investigating the alleged *quid pro quo* received by the various investors of M/s. Jagati Publications Limited (Jagati) from the government of Andhra Pradesh. CBI had filed a FIR against Jagati, its investors and various other entities in August 2011. PVP Business Ventures Private Limited, PVP Business Towers Private Limited and Cuboid Realtors Private Limited, wholly owned subsidiaries of the Company are among the investors of Jagati. The Company and its subsidiaries had submitted before the Hon'ble Court and the CBI that PVP Group and its companies have not received any *quid pro quo* benefits whatsoever from the state government of AP till date. There is no impact on the financial statements of the Company for the year due to the said investigations.

22.9 Contingent Liabilities

The following income tax demands are disputed by the Company before the appellate authorities and based on the expert advice the Company is confident of success. Hence, no amount has been provided for in the books.

| AY to which demand relates | Amount (in Rs. lakhs) | Pending before |
|----------------------------|-----------------------|--------------------------|
| 2008-09 | 164,97.15 | CIT (Appeals), Chennai |
| 2007-08 | 3,46.01 | CIT (Appeals), Hyderabad |
| 2007-08 | 4,73.30 | ITAT, Hyderabad |

22.10 Particulars relating to expenditure in foreign currency (on payment basis)

(₹ in lakhs)

| Particulars | Year ended March 31, 2012 | Year ended March 31, 2011 |
|---------------------------|------------------------------|------------------------------|
| Travel related Expenses | Nil | 4.35 |
| London Stock exchange fee | 10.41 | 9.18 |
| Total | 10.41 | 13.53 |

22.11 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence the required disclosures such as amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

22.12 The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.

22.13 The financial statements for the year ended March 31, 2012 have been prepared as per revised Schedule-VI of the Companies Act, 1956. Accordingly, the previous quarters/years figures have been regrouped/rearranged wherever necessary to make it comparable with the current quarter/year.

22.14 The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 08, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our Report of even date
For **CNGSN & Associates**
Chartered Accountants
Firm.Reg.No. 004915S
R. Thirumalmarugan
(Partner)
Membership No : 200102
Place: Chennai
Date : May 30, 2012

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman & Managing Director)

R. Nagarajan
(Director)

N. S. Kumar
(Director)

Kannan S.
(Head-Finance & Accounts)

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)



For Members Use



PVP Ventures Limited

Consolidated Financial Statements and Notes



For Members Use



**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 31st March, 2012, the Consolidated Statement of Profit and Loss 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.
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 ₹ 16553.77 lakhs as at March 31, 2012, total revenues of ₹ (-)2.10 lakhs and total net cash outflows of ₹ 1.72 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 23.7 in notes to account with regard to the preparation of financials of subsidiary companies on going concern. The subsidiary companies do not have business activity, erosion of the networth, delay in commencement of the projects, waiver of the interest payable for the year on the debentures and other related factors indicate that the existence of a material uncertainty that may cast significant doubt about the subsidiary companies ability to continue as a going concern.*
 - ii. *Note No.12 in notes to account, with regard to the value of its investment. The total net value of investment ₹ 16619.47 includes the investment of ₹ 15745.00 lakhs in some of the shares and debentures on which we are not expressing any opinion as to the recoverability or otherwise.*
 - iii. *Note No.13 in notes to accounts, with regard to the unsecured considered good advances of ₹ 15762.89 lakhs, includes a sum of ₹ 13272.22 lakhs carried at cost and no provision has been made. We are not expressing any opinion on these advances as to the recoverability or otherwise.*
 - iv. *Note No.14 in notes to account, with regard to the Land Development Right and Inventory of Land. In the absence of materials we are not expressing an opinion as to the recoverability or otherwise of a sum of ₹ 7461.26 lakhs in Land Development Right and ₹ 14965.06 lakhs included in Inventory of Land.*
 - v. *Further we invite the attention of the members to the following material matters given in notes relating to the status of project at Perambur, Chennai, interest waiver on debentures issued and received, non*

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providing of interest on loans obtained to the extent of ₹ 336.72 lakh and contingent liabilities shown for the disputed income tax demands.

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:
- a. in the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of PVP

Ventures Limited and its Subsidiaries as at 31st March, 2012;

- b. in the case of the Consolidated Statement of Profit & Loss, of the LOSS for the year ended on that date; and
- c. 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

Place: Chennai

Date: 30th May, 2012



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lakhs)

| | Note No. | As at 31.03.2012 | | As at 31.03.2011 | |
|--|----------|------------------|-----------|------------------|-----------|
| I. EQUITY AND LIABILITIES | | | | | |
| (1) Shareholders' Funds: | | | | | |
| (a) Share Capital | 2 | 24,396.25 | | 24,396.25 | |
| (b) Reserves and Surplus | 3 | 17,330.70 | | 8,909.43 | |
| (c) Money Received against Share warrants | | - | 41,726.95 | - | 33,305.68 |
| (d) Minority Interest | | | 119.76 | | - |
| (2) Share application money pending allotment | | - | - | - | - |
| (3) Non-current liabilities: | | | | | |
| (a) Long-term borrowings | 4 | 16,247.54 | | 27,288.75 | |
| (b) Deferred tax liabilities (Net) | | - | | - | |
| (c) Other Long-term liabilities | 5 | 12,181.47 | | 10,000.00 | |
| (d) Long-term provisions | 6 | 27.05 | 28,456.06 | - | 37,288.75 |
| (4) Current liabilities: | | | | | |
| (a) Short-term borrowings | | - | | - | |
| (b) Trade payables | 7 | 29.17 | | 27.09 | |
| (c) Other current liabilities | 8 | 7,588.02 | | 536.26 | |
| (d) Short-term provisions | 9 | 18.91 | 7,636.10 | 227.25 | 790.60 |
| Total | | | 77,938.87 | | 71,385.03 |
| II. ASSETS: | | | | | |
| (1) Non-current assets | | | | | |
| (a) Fixed Assets | | | | | |
| (i) Tangible assets | 10 | 1,638.69 | | 1,546.94 | |
| (ii) Intangible assets | 11 | 11,268.63 | | 12,786.55 | |
| (iii) Capital work-in-progress | | - | | - | |
| (iv) Intangible assets under development | | - | | - | |
| (b) Non-current investments | 12 | 16,619.47 | | 16,493.03 | |
| (c) Deferred tax assets (Net) | | - | | - | |
| (d) Long-term loans and advances | 13 | 17,267.40 | | 7,675.35 | |
| (e) Other non-current assets | 14 | 30,857.45 | 77,651.64 | 30,891.54 | 69,393.40 |
| (2) Current assets | | | | | |
| (a) Current investments | | - | | - | |
| (b) Inventories | | - | | - | |
| (c) Trade receivables | | - | | - | |
| (d) Cash and cash equivalents | 15 | 147.50 | | 1,885.71 | |
| (e) Short-term loans and advances | 16 | 6.15 | | - | |
| (f) Other current assets | 17 | 133.58 | 287.23 | 105.92 | 1,991.63 |
| Total | | | 77,938.87 | | 71,385.03 |
| See accompanying notes to the financial statements | | | | | |

As per our Report of even date

For and on behalf of the Board of Directors

For **M/s CNGSN & ASSOCIATES**
Chartered Accountants
Firm Reg.No. 0049155

Prasad V. Potluri
Chairman &
Managing Director

R. Nagarajan
Director

R. Thirumalmarugan
Partner
Membership No : 200102

N.S. Kumar
Director

Kannan .S
Head - Finance & Accounts

Dhiraj Kumar Shinha
GM - Legal & Company Secretary

Place : Chennai
Date : May 30, 2012

Place : Chennai
Date : May 30, 2012

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in Lakhs)

| | Note No. | For the year ended 31.03.2012 | For the year ended 31.03.2011 |
|---|----------|-------------------------------|-------------------------------|
| I Revenue from operations | 18 | - | 17.14 |
| II Other income | 19 | 340.05 | 159.39 |
| III Total Revenue (I + II) | | 340.05 | 176.53 |
| IV Expenses: | | | |
| a Cost of materials consumed | | - | - |
| b Purchases of Stock-in-Trade | | - | - |
| c Changes in inventories of finished goods work-in-progress and Stock-in-Trade | | - | - |
| d Employee benefit expenses | 20 | 175.96 | 40.08 |
| e Finance costs | | 7.91 | 635.56 |
| f Depreciation and amortization expenses | 10 | 13.61 | 23.95 |
| g Other expenses | 21 | 235.29 | 246.88 |
| Total expenses | | 432.77 | 946.47 |
| V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV) | | (92.72) | (769.94) |
| VI Exceptional items | 22 | (166.13) | 10,063.07 |
| VII Profit/(Loss) before extraordinary items and tax (V - VI) | | 73.41 | (10,833.01) |
| VIII Extraordinary items | | - | - |
| IX Profit/(Loss) before tax (VII - VIII) | | 73.41 | (10,833.01) |
| X Tax expenses | | | |
| (1) Current tax | | - | 204.17 |
| (2) Deferred tax | | - | - |
| (3) of Earlier Year | | 14.46 | - |
| XI Profit / (loss) for the year before adjustment for Minority Interest (IX -X) | | 58.95 | (11,037.18) |
| XII Add: Share of Loss transferred to Minority Interest | | 0.47 | - |
| XV Profit / (Loss) for the year (XI + XII) | | 59.42 | (11,037.18) |
| XVI Earnings per share: Basic & Diluted | | 0.02 | (4.74) |

As per our Report of even date

For and on behalf of the Board of Directors

For M/s CNGSN & ASSOCIATES
Chartered Accountants
Firm Reg.No. 004915S

Prasad V. Potluri
Chairman &
Managing Director

R. Nagarajan
Director

R. Thirumalmarugan
Partner
Membership No : 200102

N.S. Kumar
Director

Kannan .S
Head - Finance & Accounts

Dhiraj Kumar Shinha
GM - Legal & Company Secretary

Place : Chennai
Date : May 30, 2012

Place : Chennai
Date : May 30, 2012



CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(₹ in Lakhs)

| | March 31,2012 | March 31,2011 |
|---|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 73.41 | (10,833.01) |
| Adjustments for: | | |
| Depreciation | 13.61 | 23.95 |
| Loss on sale of fixed assets | - | 32.22 |
| Loss on sale of Investments | 35.87 | 12,958.94 |
| Interest paid | 7.91 | 635.56 |
| Interest received | (289.74) | (5.33) |
| Dividend Income | (50.22) | (93.33) |
| Excess Provision Written Back | (202.00) | (455.46) |
| Operating Profit Before Working Capital changes | (411.16) | 2,263.55 |
| Adjustments for: | | |
| Increase/(Decrease) in Other Long Term Liabilities | 2,181.47 | 500.00 |
| Increase/(Decrease) in Long Term Provisions | 27.05 | (31.24) |
| Increase/(Decrease) in Trade Payables | 2.08 | (77.95) |
| Increase/(Decrease) in Other Current Liabilities | 7,051.76 | (150.56) |
| Increase/(Decrease) in Short Term Provisions | - | - |
| (Increase)/Decrease in Long Term Advances | (9,590.06) | (4,694.64) |
| (Increase)/Decrease in Non Current Assets | 34.09 | - |
| (Increase)/Decrease in Inventories | - | (296.40) |
| (Increase)/Decrease in Short Term Loans and Advances | (6.15) | 156.31 |
| (Increase)/Decrease in Other Current Assets | (2.43) | 35.71 |
| Cash Generated from Operations | (713.36) | (2,295.22) |
| Direct Taxes paid including TDS | (248.02) | - |
| Net Cash from Operating Activities | (961.38) | (2,295.22) |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Purchase/addition to Fixed Assets | (105.36) | (322.33) |
| Proceeds from Sale of Fixed Assets | - | 2,240.97 |
| Proceeds from Sale of Investments | 37.68 | (2,097.00) |
| Dividend Received | 50.22 | 93.33 |
| Interest received | 289.74 | 5.33 |
| Net Cash used in Investing Activities | 272.28 | (79.70) |
| C. CASH FROM FINANCING ACTIVITIES | | |
| Interest paid | (7.91) | (635.56) |
| Repayment of long term borrowings | (1,041.21) | (3,545.94) |
| Proceeds from short term borrowings | - | 779.42 |
| Proceeds from Long Term Borrowings | - | 4.50 |
| Net Cash from Financing Activities | (1,049.12) | (3,397.58) |
| Net increase in cash and cash equivalents | (1,738.21) | (5,772.50) |
| Cash and cash equivalents at the beginning of the year | 1,885.71 | 7,658.21 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 147.50 | 1,885.71 |

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

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and Managing Director)

R. Nagarajan
(Director)

N. S. Kumar
(Director)

R. Thirumalmarugan
(Partner)
Membership No : 200102

Kannan S.
(Head-Finance & Accounts)

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

Place: Chennai
Date : May 30, 2012

Place: Chennai
Date : May 30, 2012

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NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST MARCH 2012

(₹ in Lakhs)

| | As at 31.03.2012 | As at 31.03.2011 |
|--|---------------------|---------------------|
| Note: 2(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share | | |
| Authorised Share Capital 300000000 Equity Shares of ₹ 10/- each | 30,000.00 | 30,000.00 |
| Issued, Subscribed and Paid Up 245,052,701 (2011: 245,052,701) equity shares of ₹ 10 each | 24,505.27 | 24,505.27 |
| Less: 10,90,235 (2011: 10,90,235) equity shares held by PVP Energy Private Limited, Subsidiary Company. | (109.02) | (109.02) |
| | 24,396.25 | 24,396.25 |
| (B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year: | | |
| Number of equity shares outstanding as at the beginning of the year | 245,052,701 | 231,643,387 |
| Add: Number of Shares allotted during the year | - | 13,409,314 |
| Less: Number of Shares held by Subsidiary company | (1,090,235) | (1,090,235) |
| Number of equity shares outstanding as at the end of the year | 243,962,466 | 243,962,466 |

(C) Shareholding in the company of the holding company
Platex Limited 132,612,766 132,612,766

(D) Shares in the company held by each shareholder holding more than 5%:

| Name of shareholder | No of shares at year end 2012 | % as at year end | No of shares at year end 2011 | % as at year end |
|--------------------------------|----------------------------------|---------------------|----------------------------------|---------------------|
| Platex Limited | 132,612,766 | 54.36 | 132,612,766 | 54.12 |
| Black Kite Investments Limited | 24,505,270 | 10.04 | 24,505,270 | 10.00 |

- a) 13,409,314 equity shares of ₹.10 each fully paid-up in cash has been issued to Platex Ltd upon conversion of 27,355 FCDs of ₹.100,000 each at conversion price of ₹. 204 per share in terms of the Scheme of Amalgamation during 2010-11.
- b) 173,759,567 equity shares of ₹. 10 each fully paid up have been issued pursuant to the Scheme of Amalgamation of PVP Ventuers Private Limited with the Company during 2007-08.
- c) 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 during 2006-07.
- d) PEL holds 10,90,235 equity shares of PVP, 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.



NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST MARCH 2012

(₹ in Lakhs)

Note: 3 RESERVES AND SURPLUS

| Name of shareholder | As at 31-3-2011 | Additions during the year | Deductions during the year | As at 31-3-2012 |
|---|-----------------|---------------------------|----------------------------|-----------------|
| Securities Premium Reserve | 77,511.10 | 9,976.30 | (1,895.50) | 85,591.90 |
| Other Reserves | 2,914.27 | - | - | 2,914.27 |
| Surplus (P&L a/c) as under: | (71,515.94) | (1,458.50) | (1,798.97) | (71,175.47) |
| | 8,909.43 | 8,517.80 | (3,694.47) | 17,330.70 |
| Opening Balance | (58,960.84) | | | (71,515.94) |
| Profit / (Loss) for the year - From P & L | (11,037.18) | 59.42 | (1,798.97) | 1,858.39 |
| Less: Proposed Dividend | - | - | - | - |
| Tax on Dist profits | - | - | - | - |
| Less: Amortization of Goodwill | (1,517.92) | (1,517.92) | | (1,517.92) |
| Balance of Profit / (Loss) | (71,515.94) | (1,458.50) | (1,798.97) | (71,175.47) |

- Consequent upon merger of erstwhile PVP Ventures Private Limited with the Company, goodwill of ₹. 15,179.21 lakhs was created which represented the excess of liabilities over assets taken over on merger. In terms of the Scheme of Amalgamation and the decision of the Board, it is being written 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.

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--|--------------------------------|--------------------------------|
|--|--------------------------------|--------------------------------|

Note-4 LONG TERM BORROWINGS

SECURED LOANS

| | | |
|---|-----------------|-----------------|
| From Banks - Loan against Fixed Deposits | - | 760.00 |
| Interest accrued and due | - | 22.72 |
| From Other - L&T Infrastructure Finance Company Limited | 2,105.45 | 2,363.94 |
| A | 2,105.45 | 3,146.66 |

- Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited has been given as collateral security and the same is guaranteed by the Promoters.

- The Group has not provided for the interest for the year of ₹. 336.72 lakhs on LTIF dues.

UNSECURED LOANS

Debentures

| | | |
|---|-----------|-----------|
| - 113,289 (2011: 13,289), 14.5% Redeemable Fully Convertible Debentures (FCDs) of ₹ 100,000 each from Platex Ltd, Holding Company | 13,289.00 | 13,289.00 |
| - 707 Compulsorily Convertible Debentures (CCDs) of ₹ 1,00,000/- each held by Platex Limited the Holding Company. | 707.00 | 707.00 |
| - Erebus Projects Private Limited 10,00,00,000 0% Optional Convertible Debentures of ₹10 each | - | 10,000.00 |

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NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31ST MARCH 2012

(₹ in Lakhs)

| | As at 31.03.2012 | As at 31.03.2011 |
|---|---|--------------------------|
| Debenture Application Money | 0.59 | 0.59 |
| Other loans and advances | | |
| - From Other Body Corporate | 145.50 | 145.50 |
| B | 14,142.09 | 24,142.09 |
| A+B | 16,247.54 | 27,288.75 |
| <p>- Platex Limited has extended the conversion/redemption option of the outstanding FCDs to March 31, 2013.</p> <p>- The Debentureholder had waived the interest receivable on these FCDs for the entire year. Accordingly, PVP has not recorded the interest expenditure on FCDs amounting to ₹. 1926.91 lakhs (2011: ₹. 5,143.55 lakhs) in its books of account.</p> <p>- PEL had issued 707, Zero Percent CCDs of ₹. 100000/- each, which are mandatorily convertible into equity shares of the Company 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. During the year, no such trigger event has taken place.</p> | | |
| Note-5 | OTHER LONG TERM LIABILITIES | |
| | Security Deposit from Developer - Unsecured | 12,163.24 10,000.00 |
| | Trade Payable | 0.17 - |
| | Others | |
| | - Service Tax Payable | 0.15 - |
| | - Security Deposit Payable | 17.91 - |
| | 12,181.47 | 10,000.00 |
| Note-6 | LONG TERM PROVISIONS | |
| | Employee Benefits | 27.05 - |
| | 27.05 | - |

The following tables sets forth the status of the Gratuity Plan of the Company and the amounts recognized in its financial statements

Principal Actuarial assumptions used

| | Year ended March 31, 2012 |
|---|------------------------------|
| Discount rates | 0.09 |
| Expected salary increase rates | 0.08 |
| Expected rate of return on plan assets | Nil |
| Expected Average remaining working lives of employees (years) | 24 years |

Reconciliation of opening and closing balances of the present value of the obligations

| | Year ended March 31, 2012 (₹. In lakhs) |
|--|--|
| Present Value of Obligation at the beginning of the period | Nil |
| Current service cost | 2.04 |
| Interest cost | 5.63 |
| Actuarial loss/(gain) | Nil |
| Benefits paid | Nil |
| Present Value of obligation at the end of the period | 7.67 |

Cost for the period

| | Year ended March 31, 2012 (₹. In lakhs) |
|-----------------------|--|
| Current service cost | 2.04 |
| Interest cost | 5.63 |
| Actuarial (gain)/loss | Nil |
| Cost recognized | 7.67 |

Amounts recognized in the balance sheet

| | Year ended March 31, 2012 (₹. In lakhs) |
|------------------------------------|--|
| Present value of funded obligation | 7.67 |
| Less: Fair value of assets* | Nil |
| Net Liability / (Asset) | 7.67 |

*The Company has not created any Trust for meeting the liability and not funded so far and hence no assets are available for valuation and hence there are no disclosures pertaining to plan assets.

The following tables sets forth the status of the Leave Encashment Plan of the Company and the amounts recognized in the financial statements

Principal Actuarial assumptions used

| | Year ended March 31, 2012 |
|---|------------------------------|
| Discount rates | 0.09 |
| Expected salary increase rates | 0.08 |
| Expected rate of return on plan assets | - |
| Expected Average remaining working lives of employees (years) | 24 years |

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Reconciliation of opening and closing balances of the present value of the obligations

| | Year ended March 31, 2012 (₹. In lakhs) |
|--|--|
| Present Value of Obligation at the beginning of the year | Nil |
| Current service cost | 19.38 |
| Interest cost | Nil |
| Actuarial loss/(gain) | Nil |
| Benefits paid | Nil |
| Projected benefit obligation at the end of the period | 19.38 |
| Cost for the period | |
| | Year ended March 31, 2012 (₹. In lakhs) |
| Current service cost | 19.38 |
| Interest cost | Nil |
| Actuarial (gain)/loss | Nil |
| Cost recognized | 19.38 |
| Amounts recognized in the balance sheet | |
| | Year ended March 31, 2012 (₹. In lakhs) |
| Present value of funded obligation | 19.38 |
| Less: Fair value of assets | - |
| Net Liability / (Asset) | 19.38 |

The Actuary has not furnished the data related to experience adjustment and estimate for the next year.

Defined contribution plans

In respect of the defined contribution plans, an amount of ₹. 1.10 lakhs (2011: ₹.0.56 lakhs) has been recognized in the statement of Profit and Loss.

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--------|-----------------------------------|-----------------------------------|
| Note-7 | TRADE PAYABLE | |
| | Sundry Creditors for services | |
| | 29.17 | 27.09 |
| | 29.17 | 27.09 |
| Note-8 | OTHER CURRENT LIABILITIES | |
| | Advance received for sale of UDS | |
| | 7,423.12 | 500.00 |
| | Due to Developer | |
| | 155.66 | - |
| | Unclaimed dividends | |
| | - | 2.43 |
| | Statutory Liabilities payable | |
| | 9.24 | 33.83 |
| | 7,588.02 | 536.26 |
| Note-9 | SHORT TERM PROVISIONS | |
| | Provision for income tax | |
| | 18.91 | 227.25 |
| | 18.91 | 227.25 |

NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2012



Note-10 :FIXED ASSETS - TANGIBLE

₹ in Lakhs

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | |
|----------------------|------------------------|----------|----------|--------------------------|----------|----------|------------------------|------------------------|
| | As at 31st March, 2011 | Addition | Deletion | As at 31st March, 2011 | Addition | Deletion | As at 31st March, 2012 | As at 31st March, 2011 |
| Land | 1,516.77 | - | - | - | - | - | - | 1,516.77 |
| Plant & Equipment | 4.60 | - | - | 2.49 | 0.18 | - | 2.67 | 1.93 |
| Furniture & Fixtures | 0.05 | 92.34 | - | 0.01 | 4.00 | - | 4.01 | 88.38 |
| Vehicles | 23.68 | - | - | 7.63 | 2.26 | - | 9.89 | 13.79 |
| Office Equipments | 38.21 | 13.02 | - | 26.24 | 7.11 | - | 33.41 | 17.82 |
| | 1,583.31 | 105.36 | - | 36.37 | 13.61 | - | 49.98 | 1,638.69 |
| | | | | | | | | 1,546.94 |

Note-11 - FIXED ASSETS - INTANGIBLE

₹ in Lakhs

| Description | Gross Carrying Amount | | | Accumulated Depreciation | | | Net Carrying Amount | |
|---------------------------|------------------------|----------|----------|--------------------------|----------|----------|------------------------|------------------------|
| | As at 31st March, 2011 | Addition | Deletion | As at 31st Mar, 2011 | Addition | Deletion | As at 31st March, 2012 | As at 31st March, 2011 |
| Goodwill | 15,179.21 | - | - | 4,553.02 | 1,517.92 | - | 6,070.94 | 9,108.27 |
| Goodwill on Consolidation | 2,160.36 | - | - | - | - | - | - | 2,160.36 |
| | 17,339.57 | - | - | 4,553.02 | 1,517.92 | - | 6,070.94 | 11,268.63 |
| | | | | | | | | 12,786.55 |

| | | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|---|--|-----------------------------------|-----------------------------------|
| Note-12 NON CURRENT INVESTMENTS | | | |
| A Investment in equity instruments | | | |
| LONG TERM - AT COST - TRADE | | | |
| (i) | Quoted | | |
| | Picturehouse Media Limited | | |
| | 38,05,101 equity shares of ₹. 10 each | | |
| | [Market value as at March 31, 2012 - 981.72 Lakhs | | |
| | (2011: ₹. 512.50 Lakhs)] | 673.42 | 746.98 |
| | Less: Provision for diminution in value of investment | - | 200.00 |
| | (A) | 673.42 | 546.98 |
| II. | Other than Trade in Non Subsidiaries | | |
| (i) | Quoted | | |
| | Aptech Limited 100 equity shares of ₹. 10 each paid up | | |
| | [Market value as at March 31, 2012 - ₹. 72 Lakhs | | |
| | (2011: ₹. 9.83 Lakhs)] | 0.05 | 0.05 |
| | (B) | 0.05 | 0.05 |
| (ii) | Unquoted | | |
| | PVP Star Hotels Private Limited 12,500 | | |
| | Equity Shares of ₹.10 each fully paid up | 201.00 | 201.00 |
| | Jagati Publications Private Limited (JPL) | | |
| | 36,38,053 [2011 - 36,38,053] | | |
| | equity shares of ₹ 10/- each fully paid up | | |
| | at a premium of ₹ 350/- per equity share. | 13,097.00 | 13,097.00 |
| | Mimosa Enterprises Private Limited (MEL) | | |
| | 3,33,333 [2011 - 3,33,333] | | |
| | equity shares of ₹ 10/- each fully paid up | | |
| | at a premium of ₹ 290/- per equity share. | 1,000.00 | 1,000.00 |
| | (C) | 14,298.00 | 14,298.00 |
| B. Investment in preference shares | | | |
| (i) | Quoted | | |
| | CFL Capital Financial Services Limited | | |
| | 2,000 13% cumulative preference share of | | |
| | ₹. 10 each paid up | 2.00 | 2.00 |
| | [Market value as at March 31, 2011 - Nil (2011: Nil)] | | |
| | Less: Provision for diminution in value of investment | 2.00 | 2.00 |
| | (D) | - | - |
| C. Investment in Debentures | | | |
| | Crust Realtors Private Limited | | |
| | 3280 - 0% Optionally Convertible Debentures of | | |
| | ₹ 10,000/- each | 328.00 | 328.00 |
| | Mantel realtors Private Limited | | |
| | 5000 - 0% Optionally Convertible Debentures of | | |
| | ₹ 10,000/- each | 500.00 | 500.00 |



PVP Ventures Limited

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--|-----------------------------------|-----------------------------------|
| P'n'V Real Estates & Developers Private Limited 4500 - 0% Optionally Convertible Debentures of ₹ 10,000/- each | 450.00 | 450.00 |
| Stone Valley Real Estates Private Limited 3500 - 0% Optionally Convertible Debentures of ₹ 10,000/- each | 350.00 | 350.00 |
| Herrcules Real Estates & Projects Private Limited 200 - 0% Optionally Convertible Debentures of ₹ 10,000/- each | 20.00 | 20.00 |
| 5970 - 0% Optionally Convertible Debentures of ₹ 10,000/- each | 597.00 | 597.00 |
| convertible at any time within a period of 10 year into fully paid equity shares of ₹ 10/- each at a price to be determine by the Board of Directors of the Company. | 2,245.00 | 2,245.00 |
| Less: Provision for diminution in value of investment | 597.00 | 597.00 |
| (E) | <u>1,648.00</u> | <u>1,648.00</u> |
| Aggregate amount of quoted investments | 673.47 | 547.03 |
| Aggregate amount of unquoted investments | 14,298.00 | 14,298.00 |
| Aggregate amount of debentures | 2,245.00 | 2,245.00 |
| | <u>17,216.47</u> | <u>17,090.03</u> |
| Less: Aggregate provision made for dimunition in value | 597.00 | 597.00 |
| | <u>16,619.47</u> | <u>16,493.03</u> |
| - PCPPL had invested a sum of ₹. 1,648.00 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. | | |
| - The management is of the opinion that the investments in JPL and MEL are fully represented by the value of the assets and business potential of the investee companies and hence no provision towards diminution in the value of such investments has been made in the books of account of the respective companies. | | |
| Note-13 LONG TERM LOANS AND ADVANCES | | |
| Security Deposits - Unsecured and considered good | 12.42 | 3.08 |
| Loans and advances | | |
| Unsecured and considered good | | |
| - Advance to Platex Limited (Holding Company) | 21.18 | 21.18 |
| - Advance to Others | 15,762.89 | 6,180.17 |
| - L & T Infrastructure Finance compnmay Limited | 1,445.86 | 1,445.86 |
| - Court Fees Recoverable | 25.05 | 25.05 |
| Considered doubtful - advance to others | 5,856.38 | 5,858.39 |
| | <u>23,123.78</u> | <u>13,533.73</u> |
| Less: Provision for doubtful advances | 5,856.38 | 5,858.39 |
| | <u>17,267.40</u> | <u>7,675.34</u> |

In the earlier years, 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 their name. Hence an amount of ₹. 1445.86 lakhs (PY ₹. 1445.86 lakhs) has been shown as receivable from LTIF.

| | As at 31.03.2012 ₹ in Lakhs | As at 31.03.2011 ₹ in Lakhs |
|--|-----------------------------------|-----------------------------------|
| Note-14 OTHER NON CURRENT ASSETS | | |
| Land | - | 219.00 |
| Land Development Rights | 7,461.26 | 7,496.76 |
| Others - Inventory of land | 23,395.65 | 23,175.78 |
| Long term Trade receivable | 0.54 | - |
| | 30,857.45 | 30,891.54 |
| - NCCPPL, in earlier years, had given advances to few parties amounting to ₹. 7,461.26 Lakhs (PY: ₹. 7,461.26 Lakhs) towards acquisition of land development rights. These parties had executed various registered land development agreements, whereby irrevocable development rights over these lands have been given to the Company. Further, these parties also mortgaged the original title deeds relating to these properties in favour of the Debenture Trustee towards the security of the non-convertible debentures issued by NCCPPL to PVP. Hence, the Group considers these advances as good and recoverable and accordingly, no provision has been made towards these advances. | | |
| - PEL has advanced as sum of ₹. 13,272.22 lakhs (PY: ₹. 3,550.00 lakhs) towards acquisition of land and other rights for its proposed power project's. In terms of the arrangements, these parties are required to facilitate acquisition of certain areas of land parcels within 24 months against which these advances are paid off, failing the completion of the land parcel, PEL may demand repayment of the advance and shall not be obliged to acquire the land parcel from these parties. | | |
| Note-15 CASH AND CASH EQUIVALENTS | | |
| Balance with banks | 110.87 | 1,842.12 |
| Cash on hand | 3.39 | 2.95 |
| Unpaid dividend account | - | 2.43 |
| Bank Deposits with more than 12 months maturity | 33.24 | 38.21 |
| | 147.50 | 1,885.71 |
| Note-16 SHORT TERM LOANS AND ADVANCES | | |
| Staff Advances | 6.15 | - |
| | 6.15 | - |
| Note-17 OTHER CURRENT ASSETS | | |
| Interest accrued and due on investments | 3.60 | 4.23 |
| Advance Income Tax | 126.91 | 101.69 |
| Prepaid Expenses | 3.07 | - |
| | 133.58 | 105.92 |

**PVP Ventures Limited****NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012**

₹ in Lakhs

| | For the year ended 31.03.2012 | For the year ended 31.03.2011 |
|--|-------------------------------------|-------------------------------------|
| Note-18 INCOME | | |
| Rent for Occupation | - | 16.09 |
| Rent for Facilities | - | 1.05 |
| | <u>-</u> | <u>17.14</u> |
| Note-19 OTHER INCOME | | |
| Interest income on Deposits | 289.74 | 5.33 |
| Interest income on Income Tax Refund | - | 33.64 |
| Dividend income | 50.22 | 93.33 |
| Miscellaneous income | 0.09 | 27.09 |
| | <u>340.05</u> | <u>159.39</u> |
| Note-20 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 144.56 | 37.46 |
| Contribution to PF and other funds | 1.10 | 0.56 |
| Staff welfare expenses | 3.25 | 2.06 |
| Retirement Benefits | 27.05 | - |
| | <u>175.96</u> | <u>40.08</u> |

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NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

₹ in Lakhs

| | For the year ended 31.03.2012 | For the year ended 31.03.2011 |
|---|-------------------------------------|-------------------------------------|
| Note-21 OTHER EXPENSES | | |
| Rent | 26.97 | 28.86 |
| Power & Fuel | 4.83 | 4.46 |
| Communication Expenses | 6.85 | 6.28 |
| Legal, Professional and consultancy | 63.27 | 33.83 |
| Books & Periodicals | 0.02 | 0.33 |
| Insurance | | |
| - For Vehicles | 0.18 | 1.53 |
| Printing & Stationery | 5.12 | 4.50 |
| Postage & Telegrams | 2.86 | 3.36 |
| Listing Fees & Others Expenses | 22.71 | 15.01 |
| Security Charges | 3.98 | 2.76 |
| Office Expenses | 0.23 | 14.04 |
| Business Development Expenses | 2.23 | 6.78 |
| Directors Sitting Fees | 3.60 | 3.60 |
| Repairs & Maintenance | | |
| - For Others | 13.44 | 12.41 |
| Rates and taxes | 9.75 | 13.73 |
| Payment to statutory auditors | | |
| as auditors | 16.46 | 22.81 |
| for tax audit | 2.76 | - |
| for certification | 1.65 | 1.27 |
| for taxation matters | 0.39 | |
| Bank Charges & Commission | 0.87 | 0.24 |
| Loss on sale of fixed assets | - | 32.22 |
| Travelling Expenses and Conveyance | 46.22 | 35.69 |
| Miscellaneous expenses | 0.90 | 3.17 |
| | 235.29 | 246.88 |
| Note-22 EXCEPTIONAL ITEMS | | |
| Compensation Received | - | (2,440.41) |
| Provision No Longer Required written back | (202.00) | (455.46) |
| Loss on sale of Investments | 35.87 | 12,958.94 |
| | (166.13) | 10,063.07 |

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2012

Note 1 Significant Accounting Policies

1.1 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.

1.2 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) 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) 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.
- (iii) The difference between the costs of investment in the holding company over the net assets at the time of acquisition of shares in the holding company (before merger) is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Minority Interest’s share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (v) Minority Interest’s share of net assets of consolidated subsidiary for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.
- (vi) The Financial Statements of all the subsidiaries are drawn upto March 31, 2012.
- (vii) List of Subsidiaries of PVP as at March 31, 2012 considered for consolidation are as follows:

| Name of subsidiary company | Country of incorporation | % age holding of PVP | |
|---|--------------------------|----------------------|-----------|
| | | 2011-2012 | 2010-2011 |
| New Cyberabad City Projects Pvt. Ltd.(NCCPPL) | India | 81 | 100 |
| PVP Energy Private Limited (PEL) | India | 100 | 100 |
| Maven Infraprojects Private Limited (MIPL) | India | 100 | 100 |
| PVP Business Ventures Private Limited (PBVPL) | India | 100 | 100 |
| PVP Business Towers Private Limited (PBTPL) | India | 100 | 100 |
| PVP Corporate Parks Private Limited (PCPPL) | India | 100 | 100 |
| AGS Hotels & Resorts Private Limited (AHRL) | India | 100 | 100 |
| Cuboid Real Estates Private Limited (CRE) | India | 100 | 100 |

(viii) During the year, in terms of the debenture subscription agreement, M/s. Erebus Projects Private Limited converted entire 10,00,00,000 0% Unsecured Optionally Convertible Debentures (OCDs) amounting to ₹ 10,000 Lakhs in NCCPPL and accordingly, the NCCPPL allotted 237,000 equity shares of ₹ 10 each at a premium of ₹ 4,209.41 per share to Erebus. Consequent upon such allotment, Erebus holds 19% of the paid up capital of NCCPPL.

1.3 Revenue Recognition

As a consistent practice, the Group recognizes revenues on accrual basis. Revenue from sale of undivided share of land is recognised upon transfer of all significant risks and rewards of ownership, which coincides with registering sale deeds in favour of buyers. Revenue from dividend is recognised upon right to receive the dividend is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

1.4 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.

1.5 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.

1.6 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.

1.7 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.

1.8 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 other related direct expenses.

1.9 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 statement of profit and loss.

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 statement of profit and loss.

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.

1.10 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. All other borrowing costs are charged to statement of profit and loss.

1.11 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.

1.12 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 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.

1.13 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.

1.14 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.

1.15 Cash Flow Statement

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

1.16 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.

Note 23. Notes on Accounts

23.1 Joint Development Agreement for Perambur Project

- (a) During the year, the first few phases of Perambur Project were launched and received good response from the market.
- (b) During the year, PVP received additional security deposit of ₹ 3,000.00 lakhs from the Developer, taking up the total security deposit to ₹ 13,000.00 lakhs. Developer adjusted ₹ 836.76 Lakhs in terms of the

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JDA and as on March 31, 2012, the outstanding security deposit is ₹ 12,163.24 Lakhs (PY: ₹ 10,000.00 Lakhs).

- (c) PVP received ₹ 7,423.12 Lakhs as its share of collections from the Project, however, pending transfer of significant risks and rewards over the undivided share of land which coincides with registering the sale deed, the Company has shown this amount as advance for sale received from customers. Further, the Company received ₹ 227.46 Lakhs (gross amount) from the Developer as interest on delayed payments, which is shown as other income for the year.
- (d) The share of expenditure related to the Project to be borne by PVP till March 31, 2012 is ₹ 513.71 Lakhs. Whenever the Developer adjusts the amount from the future share of collection, the same shall be accounted for in the books of PVP.

23.2 During the year, the Group classified Perambur land owned by PVP from inventory to fixed asset w.e.f. June 01, 2011. However, with effect from March 01, 2012, the management decided to re-classify it back to Inventory in accordance with the Accounting Standard and the expert opinion. However, there is no impact on such re-classifications on these financial statements of the Group.

23.3 Further, during the financial year 2009-10, PCPPL had invested ₹ 500 Lakhs in the OCDs of Mantle Realtors Private Limited and during CBI investigations, the Group came to know

that Mantle is also one of the investors of Jagati. However there is no impact on the consolidated financial statements of the Group for the year due to the said investigations.

23.4 The proposed realty project of NCCPPL at Hyderabad, due to the continued political imbroglio in the state of Andhra Pradesh, downturn in realty space in Hyderabad coupled with other factors, is yet to commence. NCCPPL is fully dependent upon PVP for its financial and administrative support.

23.5 During the year, PVP and few of its subsidiaries had received notices from the Central Bureau of Investigation (CBI), who is investigating the alleged *quid pro quo* received by the various investors of M/s. Jagati Publications Limited (Jagati) from the government of Andhra Pradesh. CBI had filed a FIR against Jagati, its investors and various other entities in August 2011. PVP Business Ventures Private Limited, PVP Business Towers Private Limited and Cuboid Realtors Private Limited are among the investors of Jagati. PVP and its subsidiaries had submitted before the Hon'ble Court and the CBI that PVP Group and its companies have not received any *quid pro quo* benefits whatsoever from the state government of AP till date. There is no impact on the financial statements of the Group for the year due to the said investigations.

23.6 Contingent Liabilities

The following income tax demands are disputed before the appellate authorities and based on the expert advice, the Group is confident of success. Hence, no amount has been provided for in the books.

| AY to which demand relates | Amount (in ₹ Lakhs) | Pending before |
|----------------------------|---------------------|--------------------------|
| 2008-09 | 16,497.15 | CIT (Appeals), Chennai |
| 2007-08 | 346.01 | CIT (Appeals), Hyderabad |
| 2007-08 | 473.30 | ITAT, Hyderabad |
| 2009-10 | 143.64 | CIT (Appeals), Chennai |

23.7 The ability of the subsidiary companies of the Group to continue as going concerns is fully dependent on the commencement of their proposed projects, returns on investments made by them and alternative strategies to be evolved by the management and currently they depend on the financial and administrative support of

PVP. 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.

23.8 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 the following business segments:
- (i) Real Estate and Property Development,

(ii) 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.

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

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

- (e) The details of segment information are given below:

| | Particulars | For the year ended | |
|----------|---------------------------------------|--------------------------------|--------------------------------|
| | | March 31, 2012 (₹ in Lakhs) | March 31, 2011 (₹ in Lakhs) |
| 1 | Segment Revenues | | |
| | Real Estate and Property Development | Nil | 17.13 |
| | Others (refer note (d) above) | Nil | Nil |
| | Total | Nil | 17.13 |
| 2 | Profits/(Loss) | | |
| | Real Estate and Property Development | (84.89) | (896.04) |
| | Others (refer note (d) above) | (7.37) | (33.28) |
| | Total | (92.26) | (929.32) |
| | Add: Other Unallocable Income | Nil | 159.38 |
| | Extra Ordinary and Prior Period Items | 166.13 | (10,063.07) |
| | Profit Before Tax | 73.87 | (10,833.01) |
| | Provision for Tax | (14.45) | (204.17) |
| | Profit After Tax | 59.42 | (11,037.18) |
| 3 | Capital Employed | | |
| | Segmental Assets | | |
| | Real Estate and Property Development | 46,498.48 | 48,218.96 |
| | Others (refer note (d) above) | 31,440.39 | 23,166.04 |
| | Total Assets | 77,938.87 | 71,385.00 |

| | Particulars | For the year ended | |
|----------|--|--------------------------------|--------------------------------|
| | | March 31, 2012 (₹ in Lakhs) | March 31, 2011 (₹ in Lakhs) |
| | Segment Liabilities | | |
| | Real Estate and Property Development | 35,292.45 | 36,514.46 |
| | Others (refer note (d) above) | 799.01 | 1,564.87 |
| | Total Liabilities | 36,091.46 | 38,079.33 |
| | Capital Employed | | |
| | Real Estate and Property Development | 11,206.03 | 11,704.50 |
| | Others (refer note (d) above) | 30,641.38 | 21,601.17 |
| | Total Capital Employed | 41,847.41 | 33,305.67 |
| 4 | Capital Expenditure | | |
| | Real Estate and Property Development | 105.36 | 322.33 |
| | Others (refer note (d) above) | - | - |
| | Total Capital Expenditure | 105.36 | 322.33 |
| 5 | Depreciation & Amortization | | |
| | Real Estate and Property Development | 1,531.53 | 1,541.87 |
| | Others (refer note (d) above) | - | - |
| | Total | 1,531.53 | 1,541.87 |

23.9 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.

23.10 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 | 24,39,62,466 | 24,39,62,466 |
| Weighted average number of Equity Shares outstanding during the year | C | 24,39,62,466 | 23,30,87,463 |
| Profit/(Loss) after Taxes before Exceptional Items (₹ in Lakhs) | D | (107.18) | (974.11) |
| Profit/(Loss) after Taxes after Exceptional Items (₹ in Lakhs) | E | 59.42 | (11,037.18) |
| Earnings Per Share–Basic and diluted (Before Exceptional Items) (in ₹) | D/C | 0.04 | (0.43) |
| Earnings Per Share–Basic and diluted (After Exceptional Items) (in ₹) | E/C | 0.02 | (4.74) |

Notes:

- (i) Cross holding of equity shares are not considered in computing the EPS.
- (ii) The potential equity shares due on conversion of debentures outstanding as at March 31, 2012 would be anti-dilutive in nature, hence not considered for calculating the above EPS.

23.11 Lease Rentals

The Group has entered into operating leases agreements for office premises and an amount of ₹ 26.97 lakhs (2011: ₹ 28.86 lakhs) paid under such agreement have been charged to Statement of Profit & Loss. The Company does not have any asset on financial lease during the year.

23.12 Related Party Disclosures

List of related parties where control exists and with whom transactions have taken place and relationships are as follows:

| Names of party | Relationship |
|--|--|
| Platex Limited (PL) | Holding Company |
| Mr. Prasad V. Potluri (PV) | Key Managerial Personnel (KMP) |
| Mrs. Jhansi Sureddi Mrs. P. Sai Padma (PSP) Dr. Anne Sai Laxmana (ASL) | Relative of KMP |
| 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 (PVPML) Shakti Realtors Private Limited (SRPL) Bruma Properties Private Ltd (BPPL) | Enterprises where KMP and relatives exercise significant influence |

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, 2012 | March 31, 2011 | March 31, 2012 | March 31, 2011 |
| (i) Unsecured Loans Availed (Net)/ Amount Payable | | | | |
| (a) Holding Company-Platex Limited | Nil | Nil | 13996.00 | 13996.00 |
| (ii) Loans/Advances given (Net) | | | | |
| (a) Holding Company-Platex Limited | Nil | Nil | 21.18 | 21.18 |
| (b) Enterprises where key management personnel exercise significant influence | | | | |
| BPPL | Nil | Nil | 35.00 | 35.00 |
| PKP | Nil | (0.04) | Nil | Nil |
| SRPL | Nil | Nil | 757.10 | 759.10 |
| WIL | Nil | Nil | 977.83 | 977.83 |
| WPPL | Nil | (0.05) | Nil | Nil |
| GIPL | Nil | (0.86) | Nil | Nil |
| PVPML | Nil | (0.24) | Nil | Nil |
| (d) Key Management Personnel and their relatives- | | | | |
| ASL | Nil | Nil | 130.85 | 130.85 |
| PSP | Nil | Nil | 133.51 | 133.51 |
| PVP | Nil | Nil | Nil | Nil |
| (iii) Provisions for Advances | | | | |
| (a) Enterprises where key management personnel exercise significant influence- | | | | |
| SRPL | (2.00) | Nil | 757.10 | 759.10 |
| WIL | Nil | Nil | 977.83 | 977.83 |

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23.13 These financial statements for the year ended March 31, 2012 have been prepared as per revised Schedule-VI of the Companies Act, 1956. Accordingly, the previous quarters/years figures have been regrouped/rearranged wherever necessary to make it comparable with the current quarter/year.

As per report of our even date

For M/s. CNGSN & Associates

Chartered Accountants

Firm Reg.No.004915S

R. Thirumalmarugan

(Partner)

M. No : 200102

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman &
Managing Director)

R. Nagarajan

(Director)

N. S. Kumar

(Director)

Kannan S.

(Head-Finance
& Accounts)

Dhiraj Kumar Sinha

(GM-Legal &
Company Secretary)

Place: Chennai

Date: May 30, 2012

Place: Chennai

Date: May 30, 2012

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 21st Annual General Meeting of PVP Ventures Limited held on Wednesday, September 26, 2012 at 10.00 A.M. at "Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006.

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 21st
Annual General Meeting of PVP Ventures Limited held on Wednesday, September 26, 2012 at 10.00 A.M. at
"Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006 or at any
adjournment thereof.

Signed thisday of2012.

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.