



WHERE YOU WANT TO BE®

September 03, 2021

To

**The BSE Ltd.**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 051

**The National Stock Exchange of India Ltd.**

Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Fort, Mumbai – 400 001

Dear Sir/Madam,

**Sub:** Notice of 30<sup>th</sup> Annual General Meeting (AGM) along with Annual report 2020-21.

**Ref:** Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Scrip Code:** BSE – 517556, NSE- PVP

With reference to the subject cited and pursuant to the provisions of Regulation 34 (1) of SEBI (Listing Obligations & Disclosure Requirements), 2015, please find enclosed Notice convening 30<sup>th</sup> Annual General Meeting and Annual Report for the financial year 2020-2021.

The Annual Report for the Financial Year ended 31<sup>st</sup> March, 2021 is also available on the website of the Company i.e., [www.pvpglobal.com](http://www.pvpglobal.com)

Kindly take the above information on records.

Thanking You.

Yours faithfully,

**For PVP Ventures Limited**

  
**Ramyanka Yadav K**

**Company Secretary & Compliance Officer**



Enclosed: a/a

**PVP Ventures Ltd.**

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

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

[info@pvpglobal.com](mailto:info@pvpglobal.com) | [pvpglobal.com](http://pvpglobal.com)



**PVP Ventures Limited**

CIN: L72300TN1991PLC020122

**ANNUAL  
REPORT  
2020-21**



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## CHAIRMAN'S MESSAGE

*Dear Shareholders,*

In this time of crisis, I hope you and your family are safe. The recent crisis has pushed the boundaries of every individual and business to acknowledge the disruption and exhibit responsiveness at all levels.

During these unusual times, your Company has faced the challenge of the pandemic by immediately mobilizing efforts to protect employees and our immediate communities. At this point, a new normal in day-to-day activities has been put in place to operationalize the activities in the Company. I take this opportunity to thank the teams for their adaptability and resilience. As we acknowledge that the pandemic has impacted the economic activity, we are also resolute in emerging stronger from this challenge.

Indian real estate industry has been witnessing challenging times with oversupply of inventory coupled with subdued demand across key micro markets in the country. COVID pandemic induced lockdown has further impacted the demand as well as funding for the projects.

Your company has continued to make progress in continuing to monetize the asset developed as "North Town". Further challenges owing to current crisis continue to impact the progress of the project marked by poor demand, stressed cash flows, and constrained supply of labor and material. Customer preference towards spacious good quality homes, to aid working from home, has been the only driver in aiding consumer demand in the segment.

With regards to the Indian Media and Entertainment industry, emerging consumption pattern of media amongst the Indian consumer has been key driver of growth of the industry. Demand for content has peaked with the deepening penetration of various OTT platforms aligned with the increasing data consumption across India. In line, Indian Film Industry has also continued to dominate as world leader in terms of the movies produced and tickets sold.

Your company is poised at a pivotal point of time to consider various expansionary and strategic decisions in creating and developing strategic assets. These initiatives would propel the company into the leagues of other industry leaders.

Going forward, we expect the immediate economic conditions to present newer challenges and your company continues its cautious tread in evaluating opportunities in monetizing the remaining part of the assets in Chennai. Your company has also been reaching out to various stake holders to strategize maximize returns to the Company, at an appropriate time in the near future.

I would like to thank every one of you for your continued support during the year.

Best Regards,

Sd/-

**Prasad V. Potluri**

Chairman & Managing Director

# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

<b>Mr. Prasad V. Potluri</b>	- Chairman & Managing Director
<b>Mr. Narayanaswamy Seshadri Kumar (N.S. Kumar)</b>	- Independent Director
<b>Mr. Sohrab Chinoy Kersasp</b>	- Independent Director
<b>Mr. Nandakumar Subburaman</b>	- Independent Director
<b>Mrs. Poonamallee Jayavelu Bhavani (P J Bhavani)</b>	- Non-Executive and Non-Independent Director (Woman)
<b>Mr. Subramanian Parameswaran</b>	- Non-Executive and Non-Independent Director (Additional Director w.e.f., 10th July, 2021)

## **BOARD COMMITTEES**

### **Audit Committee**

Mr. N. S. Kumar	- Chairman
Mr. Sohrab Chinoy Kersasp	- Member
Mr. Prasad V. Potluri	- Member

### **Stakeholders Relationship Committee**

Mr. Sohrab Chinoy Kersasp	- Chairman (w.e.f. 06-11-2020)
Mr. N. S. Kumar	- Member (w.e.f. 06-11-2020)
Mr. Prasad V. Potluri	- Member

\*Mr. N S Kumar - Chairman till 05-11-2020

Mr. Sohrab Chinoy Kersasp - Member till 05-11-2020

### **Nomination and Remuneration Committee**

<b>Mr. Sohrab Chinoy Kersasp</b>	- Chairman (w.e.f. 06-11-2020)
<b>Mr. N. S. Kumar</b>	- Member (w.e.f. 06-11-2020)
<b>Mrs. P J Bhavani</b>	- Member

\*Mr. N S Kumar - Chairman till 05-11-2020

Mr. Sohrab Chinoy Kersasp - Member till 05-11-2020

### **CSR Committee**

Mr. N. S. Kumar	- Chairman
Mr. Sohrab Chinoy Kersasp	- Member
Mr. Prasad V. Potluri	- Member

## **KEY MANAGERIAL PERSONNEL (KMP)**

Mr. Prasad V. Potluri	- Chairman & Managing Director
Mr. Karthikeyan Shanmugam	- Chief Financial Officer
Mrs. Ramyanka Yadav. K	- Company Secretary & Compliance Officer

## **STATUTORY AUDITORS**

M/s Sundaram & Srinivasan  
Chartered Accountants  
23, C.P. Ramaswamy Road,  
Alwarpet, Chennai - 600 018

## **BANKERS**

Kotak Mahindra Bank Limited  
HDFC Bank

## **REGISTERED OFFICE**

KRM Centre, 9th Floor, Door No. 2  
Harrington Road, Chetpet, Chennai 600 031  
T +91 44 3028 5570, F +91 44 3028 5571  
E - [ir.telephoto@pvpglobal.com](mailto:ir.telephoto@pvpglobal.com)

## **CORPORATE OFFICE**

4th Floor, Punnaiah Plaza, Plot No. 83 and 84,  
Road No. 02, Banjara Hills, Hyderabad 500 034  
T +91 40 6730 9999, F +91 40 6730 9988

## **STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED**

The BSE Limited  
The National Stock Exchange of India Ltd.

## **REGISTRAR AND SHARE TRANSFER AGENTS**

Kfin Technologies Private Ltd.  
Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032  
T +91 40 6716 1591 E - [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## **DEBENTURES TRUSTEES**

Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited) The IL&FS Financial Center,  
Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400051  
T +91 22 2659 3535; F +91 22 2653 3297 E - [mumbai@vistra.com](mailto:mumbai@vistra.com)

# NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PVP VENTURES LIMITED "COMPANY" WILL BE HELD ON MONDAY 27<sup>th</sup> DAY OF SEPTEMBER, 2021, AT 10:00 A.M. THROUGH VIRTUAL CONFERENCE/OTHER AUDIO VIDEO MEDIA (OAVM) TO TRANSACT THE FOLLOWING BUSINESS. THE VENUE OF MEETING SHALL BE DEEMED TO BE THE REGISTER OFFICE AT KRM CENTRE, 9TH FLOOR, DOOR NO. 2 HARRINGTON ROAD, CHETPET – 600031, TAMILNADU**

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. **APPOINTMENT OF MRS. POONAMALLEE JAYAVELU BHAVANI (DIN: 08294839), LIABLE TO RETIRE BY ROTATION**  
To appoint a Director in place of Mrs. Poonamallee Jayavelu Bhavani (DIN: 08294839), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible offers herself for re-appointment.

## **SPECIAL BUSINESS:**

3. **TO RE-APPOINT MR. PRASAD V. POTLURI AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or reenactment(s) thereof, for the time being in force), the consent of the members, be and is hereby, accorded for the re-appointment of Mr. Prasad V. Potluri as Chairman & Managing Director (DIN: 00179175) of the Company for a period of 5 years from August 11, 2021 to August 10, 2026 on the following terms and conditions:

### **I. SALARY & PERQUISITES:**

- a) Annual gross remuneration including salary, HRA, allowances and perquisites, not exceeding Rs. 1.2 crores (Rupees One Crore and Twenty Lacs Only)
- b) Further to the above, Mr. Prasad V. Potluri shall also be provided with the following fringe benefits and amenities:
  - i) Conveyance facilities: Suitable conveyance facilities as may be required by the Chairman and Managing Director
  - ii) Communication facilities: Telephone, fax and other communication facilities at the Chairman and Managing Director's residence.
  - iii) Club Fees: Reimbursement of Membership fees for clubs in India and/or abroad including admission and life membership fee, subject to a maximum of two (2) clubs.
- iv) Miscellaneous: Reimbursement of entertainment and other expenses actually incurred in the course of business of the Company and other benefits and amenities as per rules of the Company.

### **II. COMMISSION:**

Mr. Prasad V. Potluri, Chairman & Managing Director, shall also be entitled to a Commission of not exceeding 5% per annum of the Net Profits of the Company, which shall be reduced by the salary paid to him thus far. The aforementioned remuneration payable to Mr. Prasad V. Potluri, is subject to the condition that the total remuneration including the salary, commission and other perquisites as mentioned above shall not exceed 5% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013. In the event of absence or inadequacy of profits in any financial year during the remaining period of his tenure, Mr. Prasad V. Potluri will be paid above salary and perquisites subject to the limits specified under Schedule V of the Companies Act, 2013. The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so that any such variation shall not exceed the limits specified in the Companies Act, 2013 (including any Statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time."

**"RESOLVED FURTHER THAT** the Directors and/or Company Secretary of the Company be and are hereby severally authorized to file the necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be required or considered necessary for this purpose"

4. **TO APPOINT MR. SUBRAMANIAN PARAMESWARAN (DIN: 09138856) AS NON - EXECUTIVE NON-INDEPENDENT DIRECTOR OF COMPANY**

To consider and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and (Listing Regulations), Mr. Subramanian Parameswaran

(DIN: 09138856), who was appointed as an Additional Director on July 10, 2021 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the rules made there under and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Non-Executive Non-Independent Director of the Company."

**"RESOLVED FURTHER THAT** Mr. Subramanian Parameswaran as a Director shall be liable for retirement by rotation during the tenure of her office."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as it may deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental in order to give effect to this resolution"

By order of the Board of Directors  
**FOR PVP VENTURES LIMITED**

Sd/-

**Ramyanka Yadav. K**

Company Secretary & Compliance Officer

Place: Chennai

Date: August 11, 2021

## NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5<sup>th</sup>, May, 2020 and 13<sup>th</sup> January, 2021 vide General Circular No. 02/2021 read together with circulars (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

KFin Technologies Private Limited, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") shall be providing facility for remote e-voting, facility for participation in the AGM through VC/OAVM and e-voting during the AGM. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC/OAVM shall be allowed on a first-come-first-serve basis.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on resolution(s) by poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Members attending the AGM through VC/OAVM will be reckoned for the purpose of quorum under Section 103 of the Act.
4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Upto 1000 members will be able to join on FIFO basis to the e-AGM.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 24<sup>th</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive) for the purpose of Annual General Meeting.
8. Dispatch of Annual Report through electronic mode:

In accordance with the MCA General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the financial year ended 31<sup>st</sup> March, 2021 pursuant to Section 136 of the Act and Notice calling the Annual General Meeting pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ Cameo Corporate Services Limited or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. A copy of the Notice of this AGM along with Annual Report for the Financial Year 2020-2021 is available on the website of the Company at [www.pvpglobal.com](http://www.pvpglobal.com), website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of KFin at <https://evoting.karvy.com>.

9. Members are requested to register/update their email addresses for receiving all communications (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical form and who have not registered / updated their email addresses with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com) or to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - b) Members holding shares in dematerialised form are requested to register / update their email addresses with the relevant Depository Participant.
10. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
11. In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

#### **NOTES FOR E-AGM and E-VOTING:**

- 1) Your Company is availing the service of KFin Technologies Private Limited for facilitating E-AGM and E-Voting
- 2) Generally, a Member entitled to attend and vote at a 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. Since the AGM is being held through VC / OAVM, physical attendance of Members is dispensed with and consequently, the facility for appointment of proxies is not applicable. Hence proxy forms and attendance slips are not annexed to this Notice.
- 3) Corporate Members intending to authorise their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board / governing body resolution / authorisation etc. authorising their representatives to attend and vote on their behalf. The documents should be emailed to [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com).
- 4) **DISPATCH OF ANNUAL REPORT, PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF NOTICE AND ANNUAL REPORT:**
  1. In accordance with the provisions of the MCA and SEBI circulars, the AGM Notice along with the Annual Report are being sent through email only to Members whose email IDs are registered with KFin; National Securities Depository Limited ("NSDL") and / or Central Depository Services (India) Limited ("CDSL") (collectively referred to as Depositories or NSDL / CDSL).
  2. The AGM Notice and the Annual Report are available on the Company's website <http://pvpglobal.com/annual-reports/> the website of KFin <https://evoting.kfintech.com> and also on those of the BSE Limited [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited [www.nseindia.com](http://www.nseindia.com).
  3. Members who have still not registered their email IDs are requested to do so at the earliest
    - Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant.
    - Members holding shares in physical mode are requested to register their email ID with the Company i.e., [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com) or Kfintech Technologies Private Limited i.e., [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com), for receiving the AGM Notice and Annual Report.

We urge Members to support this Green Initiative effort of the Company and get their email ID registered.

#### **5. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

- a) Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at <https://emeetings.kfintech.com/> by using their remote e-voting login credentials and selecting the 'Event' for Company's AGM.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the AGM Notice. Further, Members can also use the OTP based login for logging into the e-voting system.

- b) Members may join the AGM through laptops, smartphones, tablets or ipads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that participants connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

Members will be required to grant access to the web-cam to enable two-way video conferencing.



- c) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the AGM. Members will be able to participate in the AGM through VC / OAVM on a first-come-first-serve basis.  
Large Members (i.e., Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination Remuneration and Compensation Committee and Stakeholders Relationship Committee, Auditors, etc. will not be subject to the aforesaid restriction of first-come first-serve basis.
- d) Institutional Members are encouraged to participate at the AGM through VC / OAVM and vote thereat.
- e) Members, holding shares as on the cut-off date i.e. Monday, 20<sup>th</sup> September, 2021 and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers at <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Wednesday 22<sup>nd</sup> September, 2021 (9:00 a.m. IST) upto Saturday, 25<sup>th</sup> September, 2021 (05:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak / express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.  
Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window will be open on Wednesday 22<sup>nd</sup> September, 2021 (9:00 a.m. IST) and closes on Saturday, 25<sup>th</sup> September, 2021 (05:00 p.m. IST)
- f) Members who need assistance before or during the AGM, relating to use of technology, can contact KFin at 1800 309 4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

#### 6. **PROCEDURE FOR REMOTE E-VOTING AND VOTING DURING THE AGM:**

- a) Members are requested to attend and participate at the ensuing AGM through VC / OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during AGM.
- b) The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members, who cast their vote by remote e-voting, may attend the AGM through VC / OAVM, but will not be entitled to cast their vote once again on the resolutions. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- c) In case of any query and / or assistance required, relating to attending the AGM through VC / OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of <https://evoting.kfintech.com> at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) or call KFin's toll free No.: 1800 309 4001 for any further clarifications / technical assistance that may be required.
- d) In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 relating to 'e-voting Facility Provided by Listed Entities' ("SEBI e-voting Circular"), the Company is pleased to provide to Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means through e-voting services arranged by KFin. Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote e-voting").
- e) The remote e-voting period commences on Friday, 24<sup>th</sup> September, 2021 (9:00 a.m. IST) and ends on Sunday, 26<sup>th</sup> September, 2021 (5:00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in demat form, as on the cut-off date i.e. Monday, 20<sup>th</sup> September, 2021 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- f) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- g) Any person holding shares in physical form and non-individual shareholders holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). In case they are already registered with KFin for remote e-voting, they can use their existing User ID and password for voting.
- h) In terms of SEBI e-voting Circular, e-voting process has been enabled for all 'individual demat account holders', by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participant(s) ("DP").
- i) Individual Members having demat account(s) would be able to cast their vote without having to register again with the e-voting service provider ("ESP") i.e. KFin, thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access the e-voting facility.

The process and manner for remote e-voting and joining and voting at the AGM are explained below:





**Step 1 :** Access to Depositories e-voting system in case of individual Members holding shares in demat mode.

**Step 2 :** Access to KFin e-voting system in case of Members holding shares in physical and non-individual Members in demat mode.

**Step 3 :** Access to join the AGM on KFin system and to participate and vote thereat.

**Details on Step 1 are mentioned below:**

**i) Login for remote e-voting for Individual Members holding equity shares in demat mode.**

Type of Member	Login Method
Individual Members holding securities in demat mode with NSDL	<p><b>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-services website of NSDL <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile.</li> <li>2. On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password.</li> <li>3. After successful authentication, Members will be able to see e-voting services under ‘Value Added Services’. Please click on “Access to e-voting” under e-voting services, after which the e-voting page will be displayed.</li> <li>4. Click on company name i.e. “PVP Ventures Limited” or e-voting service provider i.e. KFin.</li> <li>5. Members will be re-directed to KFin’s website for casting their vote during the remote e-voting period and voting during the AGM.</li> </ol> <p><b>Those not registered under IDeAS:</b></p> <ol style="list-style-type: none"> <li>1. Visit <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> for registering.</li> <li>2. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Visit the e-voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>4. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open.</li> <li>5. Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a Verification Code as shown on the screen.</li> <li>6. After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> <li>7. Click on company name i.e PVP Ventures Limited or e-voting service provider name i.e KFin after which the Member will be redirected to e-voting service provider website for casting their vote during the remote e-voting period and voting during the AGM.</li> <li>8. Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin: 0 10px;">  App Store </div> <div style="text-align: center; margin: 0 10px;">  Google Play </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>

<u>Individual Members holding securities in demat mode with CDSL</u>	<p><b>1. Existing user who have opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi.</li> <li>Login to MyEasi option under quick login.</li> <li>Login with the registered user ID and password.</li> <li>Members will be able to view the e-voting Menu.</li> <li>The Menu will have links of KFin e-voting portal and will be redirected to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol> <p><b>2. User not registered for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> for registering.</li> <li>Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</li> <li>After successful registration, please follow the steps given in point no. 1 above to cast your vote.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide demat Account Number and PAN</li> <li>System will authenticate user by sending OTP on registered mobile and email as recorded in the demat Account.</li> <li>After successful authentication, please enter the e-voting module of CDSL. Click on the e-voting link available against the name of the Company, viz. ‘PVP Ventures Limited’ or select KFin.</li> <li>Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication.</li> </ol>
<u>Individual Members login through their demat accounts / Website of Depository Participant</u>	<ol style="list-style-type: none"> <li>Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.</li> <li>Once logged-in, Members will be able to view e-voting option.</li> <li>Upon clicking on e-voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.</li> <li>Click on options available against PVP Ventures Limited or KFin.</li> <li>Members will be redirected to e-voting website of KFin for casting their vote during the remote e-voting period without any further authentication.</li> </ol>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:**

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022-23058738</b> or <b>022-23058542-43</b>

**Details on Step 2 are mentioned below:**

**II) Login method for e-voting for Members other than Individual’s Members holding shares in demat mode and Members holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company / Depository Participants(s), will receive an email from KFin which will include details of e-voting Event Number (EVEN), USER ID and password.

They will have to follow the following process:

- Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-voting, they can use their existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
  - iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
  - v. Members would need to login again with the new credentials.
  - vi. On successful login, the system will prompt the Member to select the "EVEN" i.e., 'PVP Ventures Limited - AGM' and click on "Submit"
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, a Member may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
  - ix. Voting has to be done for each item of the notice separately. In case a Member does not desire to cast their vote on any specific item, it will be treated as abstained.
  - x. A Member may then cast their vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once a Member has voted on the resolution (s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM and e-voting instructions, may temporarily get their email address and mobile number submitted with KFin, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>
  - ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
  - iii. Alternatively, Members may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - iv. After receiving the e-voting instructions, please follow all the above steps to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

- III) **Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-voting during the meeting.**
- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company / KFin.
  - ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
  - iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-voting or have forgotten the same may retrieve them by following the remote e-voting instructions mentioned above.

**Other Instructions:**

- I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- II. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday 20<sup>th</sup> September, 2021.

- III. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Monday 20<sup>th</sup> September, 2021 may obtain the User ID and Password in the manner as mentioned below:
- If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399  
Example for NSDL: MYEPWD<SPACE> IN12345612345678  
Example for CDSL: MYEPWD<SPACE> 1402345612345678  
Example for Physical: MYEPWD<SPACE> XXX1234567890
  - If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - Members may call KFin toll free number 1800 309 4001.
  - Members may send an email request to: [evoting@kfintech.com](mailto:evoting@kfintech.com). If the Member is already registered with the KFin e-voting platform then such Member can use his / her existing User ID and password for casting the vote through remote e-voting.
- IV. The Board of Directors has appointed D. Hanumanta Raju & Co., Company Secretaries, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
- V. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC / OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same.
- VI. The results declared along with the Scrutinizer's report will be forwarded to BSE Limited be displayed at the Registered Office of the Company and simultaneously uploaded on the Company's website i.e., [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com)

**GENERAL INFORMATION:**

- The Company's equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and National Stock Exchange of India Limited, Exchange Plaza, Plot No.C/1,G Block, Bandra Kurla-Complex, Bandra (E), Mumbai – 400 051.
- Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's Registrar and Share Transfer Agent at M/s. Kfin Technologies Private Limited, Selenium Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.
- All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com)

# EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

**ITEM 3:** The Board of Directors, at its Meeting held on August 11, 2021 reappointed Mr. Prasad V. Potluri as Chairman & Managing Director with effect from August 11, 2021 for a period of five years i.e., upto August 10, 2026 on the terms and conditions as set out in the resolution, subject to the approval of shareholders of the Company.

Mr. Prasad V. Potluri is a serial entrepreneur in the global outsourcing services space; he has successfully built and sold 3 companies while serving the needs of the Fortune 1000 marketplace. Within the global investment community, he is a respected thought leader. During an entrepreneurship packed decade, he has been the driving force behind many companies, including ProconInc, Albion Orion Company LLC, Irevna Ltd. Procon Inc. was acquired by RCM Technologies in 1998. AOC, LLC was acquired by SSI in 2000 for INR 292 Crores, the then largest cross-border deal. Irevna Limited was acquired by CRISIL (S&P India) in 2005. He is a Strategic Investor in Maven Corp and Karvy Consultants & a Founding Investor of CBay Systems.

Mr. Prasad V. Potluri is not related to any Director of the Company. He is Managing Director of Picturehouse Media Limited. He is the member of Audit committee, CSR Committee and Stakeholders relationship committee of Picturehouse Media Limited and member of Audit Committee, CSR Committee and Stakeholders relationship committee of PVP Ventures Limited.

No director except Mr. Prasad V. Potluri, Key Managerial Personnel or their relatives, are interested in the resolution

**ITEM 4:** Mr. Subramanian Parameswaran ("Subbu") is a corporate consultant, advisor in various matters like Business consulting, people management. He is also associated with socio-charitable entities which are focused into educational development. He also bears 16 years' experience in sales, operation managements in UK and India. He is a Co-founder of Learning Curve Life Skills Foundation.

No director except Subramanian Parameswaran, Key Managerial Personnel or their relatives, are interested in the resolution.

## Details of the Managing Director seeking Re-appointment

Name of the Director	Mr. Prasad V. Potluri	Mr. Subramanian Parameswaran	
DIN	00179175	09138856	
Nationality	Indian	Indian	
Date of appointment on the Board	04/12/2007	10/11/2021	
Number of shares held in the Company	Nil	Nil	
List of the directorship held in other Companies	PVP Ventures Limited – Chairman & Managing Director	Apta Medical Imaging Private Limited	
*Chairman/Member in the Committees of the Board of Companies in which he is Director	Name of the Committee	Position	Name of Company
	Audit Committee	Member	Picturehouse Media Limited
	Stakeholders Relationship Committee	Member	Picturehouse Media Limited
	Audit Committee	Member	PVP Ventures Limited
	Stakeholders Relationship Committee	Member	PVP Ventures Limited
Relationship of Directors inter-se	Nil	Nil	
*Committee membership/Chairmanships include only Audit Committee and Stakeholders Relationship Committee of other public and /Listed Companies including the Company in which his re-appointment is proposed.			

# DIRECTORS' REPORT

To the Members,

We are pleased to present the report on the business and operations of your Company for the year ended March 31, 2021.

## 1. Financial Results

[RS. IN LAKHS]

PARTICULARS	STANDALONE		CONSOLIDATED	
	2020-21	2019-20	2020-21	2019-20
Total Income	1805.18	2,928.50	1973.40	4,452.19
Operational, Administration and Other Expenses	428.59	834.94	4354.21	6,446.38
<b>Profit/(Loss) Before Depreciation Interest And Tax</b>	<b>1376.59</b>	<b>2,093.56</b>	<b>(2380.81)</b>	<b>(1994.19)</b>
Depreciation	70.89	86.83	196.33	246.22
Interest and Finance Charges	2781.08	2,918.04	6131.28	6,912.06
<b>Profit / (Loss) Before Exceptional Items</b>	<b>(1475.38)</b>	<b>(911.31)</b>	<b>(7493.05)</b>	<b>(9,152.47)</b>
Exceptional Items	-	-	(569.08)	(87.44)
<b>Profit / (Loss) Before Tax</b>	<b>(1475.38)</b>	<b>(911.31)</b>	<b>(8062.13)</b>	<b>(9,065.03)</b>
Tax Expense	-	270.05	-	270.45
<b>Profit/ (Loss) after Tax</b>	<b>(1475.38)</b>	<b>(1,181.36)</b>	<b>(8062.13)</b>	<b>(9,335.48)</b>
Other Comprehensive Income	4.38	2.24	7.01	7.36
<b>Total Comprehensive Income</b>	<b>(1471.00)</b>	<b>(1,179.12)</b>	<b>(8055.12)</b>	<b>(9,328.12)</b>
Basic and Diluted	(0.60)	(0.48)	(3.29)	(3.83)

## 2. State of the Company's Affairs

During the financial year 2020-21, the Company reported profit on Standalone basis and losses on consolidated basis. The revenue from operations for the FY ended 31 March, 2021 on Standalone basis is Rs. 1753.10 Lakhs as compared to the previous year's total of Rs. 2900.45 Lakhs.

## 3. Dividend

In view of the losses occurred in so many years and in order to conserve the resources of the Company, for future Business operations, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2021.

## 4. Transfer to Reserves

The Board of Directors did not propose to transfer any amount to reserves for the period under review.

## 5. Capital Structure

During the year, there is no change in the capital structure of the Company.

## 6. Debenture

The total debentures outstanding as on the March 31, 2021 is 500, 14.5% Redeemable fully convertible Debentures (FCD's) of Rs. 1,00,000/- each and the 1215, 18% Secured, Rated, Listed, Redeemable Non-Convertible Debentures (NCD's) of Rs.10,00,000 each.

## 7. Particulars of Loans, Guarantees and Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

## 8. Public Deposits

The Company has not accepted/renewed any fixed deposits during the year under review.

## 9. Insurance

All the properties of your Company have been adequately insured.

## 10. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and erstwhile Listing Agreement and the current Listing Agreement signed with the stock exchanges pursuant to listing regulations, your company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.pvpglobal.com/pdf/RPTPolicy-PVPL.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

During the year under review, there were no Related Party Transactions. Accordingly, the disclosure of Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable for the year ended March 31, 2021.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 24, the Related Party Transactions are disclosed under Note No. 43 of the Standalone Financial Statements.

## **11. Significant Orders and Matters:**

During the financial year of the Company-

- 11.1 The Company has filed the application before SEBI, Securities Appellate Tribunal ("SAT"), Mumbai. The SAT dismissed the appeal filed by the Company. The Company has paid the fine imposed by The BSE Limited on April 05, 2021 and filed an application before BSE Limited for Revocation of Suspension of trading in Securities of the Company.

The BSE Limited and National Stock Exchange of India Limited have revoked the suspension on trading of Securities of the Company with effect from July 22, 2021.

- 11.2 The Company was inspected under section 206 of the Companies Act 2013 in Jan 2016 and we received letter dated 22.7.2017 from the Inspecting officer for violation of Sections 193 (1), 211, 209, 372 A of the Act, 1956 and Section 134 and 129 of the Act, 2013 respectively. The Registrar of Companies ("RoC") in letter dated 02.04.2019, intimated the Company that Ministry has sanctioned prosecution for the violations and advised for Compounding. Thus, the Company has filed the Compounding Applications under the provisions of Section 441 of the Companies Act, 2013 before The Regional Director (Southern Region), Ministry of Corporate Affairs, Chennai and paid Compounding fees.

Further, the Company, received, Notice for Adjudication hearing on November 11, 2020 on the matter of Section 118 read with Section 145 of the Companies Act, 2013. The matter was heard on that day. The registrar of Companies, Tamil Nadu issued Adjudication Order for penalty to Pay Rs.25,000/- for Company and Rs. 5,000 for Mr. Prasad V. Potluri, Chairman and Managing Director of the Company. The Company and Mr. Prasad V. Potluri was made the payment of Penalty.

- 11.3 The Company had received an order dated March 27, 2015 from Securities & Exchange Board of India ("SEBI"). An adjudicating officer of SEBI had imposed monetary penalty of Rs.15 lakhs each against PVP Ventures Limited ("Company") and Mr. Prasad V. Potluri, Chairman and Managing Director ("Mr. Prasad") (aggregating Rs. 30 lakhs) for alleged non-disclosures under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SAST Regulations") and SEBI (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations"). ("Non-Disclosure Order")

Further, the adjudicating officer of SEBI by an order dated March 27, 2015 imposed penalty of: i) Rs.15 crores each on PVP Global Ventures Private Limited ("Wholly-Owned Subsidiary") and Mr. Prasad (aggregating Rs. 30 crores) for alleged violation of PIT Regulations during period 2009-10 and ii) Rs. 15 lakhs each on the Wholly-Owned Subsidiary and Mr. Prasad for non-disclosures required under the SAST Regulations (aggregating Rs. 30 lakhs). ("Insider Order")

The Wholly-Owned Subsidiary, the Company and Mr. Prasad ("Appellants") challenged both the above orders before the Securities Appellate Tribunal ("SAT").

The SAT, by an order dated June 20, 2018 dismissed the appeal against and upheld the Non-Disclosure Order upholding the penalty of Rs. 30 lakhs.

In relation to the Insider Order, the SAT: i) set aside entirely the penalty of Rs. 15 lakhs each on the Wholly-Owned Subsidiary and Mr. Prasad; and ii) reduced the penalty of Rs. 15 crores against Mr. Prasad to Rs. 5 crores while upholding the penalty of Rs. 15 crores on the Wholly-Owned Subsidiary ("SAT Order"). Thus, the SAT Order reduced the aggregate penalty of Rs. 30 crores plus Rs. 30 lakhs to Rs. 20 crores.

The overall penalty as per the SAT Order is therefore Rs. 20 crores plus Rs. 30 lakhs.

The SAT, by another order dated July 6, 2018 stayed the operation of the SAT Order for a period of six weeks from July 6, 2018 subject to deposit of certain title deeds by the Appellants.

Thereby, PVP Global Ventures Pvt Ltd. on July 6, 2018, submitted the title deeds of lands admeasuring 53.08 acres of its wholly owned subsidiary Company i.e. Arete Real Estate Developers Private Limited and Expression Real Estate Developers Private Limited, underlying the Appeals in terms of the order passed by SAT for Rs. 20,30,00,000 for which the asset worth approximately Rs. 21,00,00,000 are being provided as security.

The Company has paid Rs. 21,79,082/- as on December 07, 2018 and requested to release all the Bank accounts and Demats Accounts. With respect to the Interest element, the Hon. Supreme Court in its order dt. 12th July 2019, has stayed the recovery of Interest on Penalty.

The penalty imposed to Mr. Prasad V. Potluri, Chairman & Managing Director of the Company, The Securities Exchange Board of India agreed for equated payment of Rs.85 Lakhs per Month for 24 months to settle the penalty amount as per Order by Hon'ble High Court on Telangana dated 24-04-2021.

## **12. Material changes and commitments affecting financial position between the end of financial year and date of report- Nil.**

## **13. Subsidiary Companies**

The Company along with its subsidiaries is operating in the verticals of Urban Infrastructure, Media and Entertainment and retail customer services. As on March 31, 2021, the Company has 4 wholly-owned subsidiaries viz., PVP Corporate Parks Private Limited,



PVP Global Ventures Private Limited, PVP Media Ventures Private Limited, Safetrunk Services Private Limited, besides 2 subsidiaries viz., New Cyberabad City Projects Private Limited, Picturehouse Media Limited and 4 stepdown subsidiaries viz., Adobe Realtors Private Limited, Arete real Estate developers Private Limited and Expression real Estate developers Private Limited, which is a wholly-owned subsidiary of PVP Global Ventures Private Limited and PVP Capital Limited, PVP Cinema Private Limited, which are wholly-owned subsidiaries of Picturehouse Media Limited. Further, as on March 31, 2021, the company did not have any Associate Companies.

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) and Section 133 of the Companies Act, 2013 read with the rules made thereunder and applicable Indian Accounting Standards (Ind AS) along with the Auditor's Report forms part of this Annual Report. Further, a statement containing salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as **Annexure - 1** to the Board's Report. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity.

As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on the website [www.pvpglobal.com](http://www.pvpglobal.com). These documents will also be available for inspection during the business hours at the registered office of the Company and any member who wish to get copies of such financial statements, may write to the Company for such requirement.

#### **14. Management Discussion and Analysis Report**

Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

#### **15. Corporate Governance**

Your Company is committed towards maintaining high standards of Governance. The Report on Corporate Governance as stipulated under Schedule V of the Listing Regulations, Shareholders Information together with a Corporate Governance Compliance Certificate from Mr. PAP Murthy, Practicing Company Secretary confirming compliance, forms an integral part of this Report.

#### **16. Board of Directors and Key Managerial Personnel**

##### **16.1 During the financial year, following appointments and Re-appointment's took place:**

- Mr. Nandakumar Subburaman (DIN.00611401) was appointed as an Independent Director by the Shareholders in the Previous Annual General Meeting of the Company held on 11.12.2020, who shall hold office for 5(Five) consecutive years i.e., till Annual General Meeting to be held for the FY 2024-25.
- Ms. P J Bhavani (DIN.08294839) , was appointed as Woman Director under Non-Executive and Non-Independent Director by the Shareholders in the Previous Annual General Meeting of the Company held on 11.12.2020, who shall be liable for retirement by rotation during the tenure of her office.
- Mrs. Ramyanka Yadav. K was appointed as the Company Secretary & Compliance Officer w.e.f 31.07.2020
- Mr. Karthikeyan Shanmugam was appointed as Chief Financial Officer of the Company with effect from November 06, 2021.

Board of Directors recommends the above stated appointments of Directors and brief profile of them is given in the Explanatory statement and Corporate Governance report attached to this report.

##### **16.2 Resignation:**

- Mrs. Sai Padma Potluri, was resigned from the Board of the Company with effect from June 01, 2020.
- Mr. T N Madan, Chief Financial Officer of the Company was resigned from the position with effect from October 26,2020.

There is no other change in the Key Managerial Personnel except the above.

#### **17. Training and familiarization programs and Annual Board Evaluation process**

The details of training and familiarization programs and Annual Evaluation process of the Board, its Committees and of individual directors for directors have been provided in the Nomination, Remuneration & Performance Evaluation Policy annexed with this report.

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The policy on Directors' appointment and remuneration including criteria for determining qualifications positive attributes, independence of director and also remuneration for Key Managerial Personnel and other employees and Board evaluation process also forms part of Corporate Governance Report as per Section 178(3) of the Companies Act, 2013 is hosted on the Company's website and the web link thereto is <http://www.pvpglobal.com/pdf/PVP-N&RCommPolicy.pdf>.

**18. Compositions of Board Committees are specified as per the date of Director's report.**

<b>Audit Committee</b>	
Mr. N. S. Kumar	Chairman
Mr. Sohrab Chinoy	Member
Mr. Prasad V. Potluri	Member

<b>Nomination and Remuneration Committee</b>	
*Mr. Sohrab Chinoy	Chairman
**Mr. N. S. Kumar	Member
Mr. Subramanian Parameswaran	Member

<b>Stakeholders Relationship Committee</b>	
*Mr. Sohrab Chinoy	Chairman
**Mr. N. S. Kumar	Member
Mr. Prasad V. Potluri	Member

\*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

\*\*Mr. N S Kumar - Chairman till 05-11-2020

<b>Corporate Social Responsibility Committee</b>	
Mr. N. S. Kumar	Chairman
Mr. Sohrab Chinoy	Member
Mr. Prasad V. Potluri	Member

Further details with respect to the aforesaid Committees are provided in the Corporate Governance Report attached herewith.

**19. Number of Meetings of the Board**

The Board met 4 (Four) times through Video Conference during the financial year, and the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

**Note:** Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

**20. Directors' Responsibility Statement**

The financial statements of the Company are prepared as per applicable Accounting Standards as prescribed under Section 133 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other applicable provisions, if any. There are no material departures from prescribed accounting standards. The Directors confirm that:

- (i) In preparation of the annual accounts for the financial year ended March 31, 2021 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 at the end of the financial year and of the profit and loss of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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;
- (v) The directors have laid down internal financial controls, which are adequate and are operating effectively; and
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate to operate the company effectively.

**21. Statement on declaration given by Independent Directors under sub-section (6) of Sec.149**

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

## 22. Auditors

### 21.1 Statutory Auditor

As per provision of Section 139 of the Act, M/s. Sundaram & Srinivasan, Chartered Accountants, (FRN: 0042075) were appointed as Statutory Auditors of your Company, to hold office until the Conclusion of 26<sup>th</sup> Annual General Meeting.

#### 22.1.1 Auditors' Report & Management Response on the Qualification made by statutory auditors:

The Auditors' Report for the financial year 2020-21 is a "qualified report" for the both standalone and consolidated financial statements.

##### **Auditors Qualification:**

Standalone:

1. *Attention is invited to note no. 34 of standalone financial statements, in relation to investment in equity shares including deemed investment in three subsidiaries. The carrying value is Rs. 58,098.85 lakhs. This is after provision of Rs. 35,160.16 lakhs for diminution in value. The Board is of the view that considering the market value of the assets and expected cash flows in future from the business of these subsidiary companies the provision for diminution already made is adequate. However, considering erosion in the net worth of the subsidiary companies and their dependence on the holding company to continue as a going concern, absence of cash inflow, delay in commencement of projects and other related factors indicate the existence of material uncertainty in the ability of the company to make progress.*

*Therefore, we are of the view that the carrying amounts of the investments (including deemed investment) shall be restated for their realisability by making additional provision taking cognizance of erosion in the net worth of the investee/loanee companies and also taking into consideration their inability to continue as a going concern. However, it is difficult to measure the extent of further diminution and fair value. The provision short made on this score is also not ascertainable.*

2. *The Company has mortgaged its land situated at Perambur, Chennai as a security and also furnished corporate guarantee to a bank for the borrowings made by PVP Capital Limited, Chennai (i.e., wholly owned step-down subsidiary company) amounting to Rs. 10,000 lakhs. The outstanding amount as per the books of accounts as on March 31, 2021 including interest due is Rs 20,012.67 lakhs. The loanee i.e., PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the lender bank has taken possession of mortgaged lands and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee, but there were no bidders. We were informed by the Board that the subsidiary viz. PVP Capital Limited is in negotiation with the said bank for one time settlement (OTS). The Board of PVP Ventures Ltd also asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. But, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. Under these circumstances, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the loanee has already defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company in case the corporate guarantee is invoked. Accordingly, the company should have considered carrying value of the said asset and / or guarantee furnished as an obligation as per Ind AS 109 while preparing the financial statements.*

*On the basis of above facts, the loss for the year ended March 31, 2021 is understated to this extent. However, it is difficult to measure the extent of understatement of loss in the circumstances obtaining. (Refer Note No. 46(ii)(a))*

3. *Attention is invited to note no. 31(a) & 31(b) to the standalone financial statements, which explains the Board's view regarding defaults committed in redeeming the debentures and payment of interest as per the schedule of redemption / payment.*

*Though the board has obtained an extension till 30<sup>th</sup> June, 2021 from the debenture holder vide letter dated 08<sup>th</sup> February 2021 to pay the outstanding, we are of the opinion that such extension of time granted by the debenture holder with respect to repayment of principal and interest (covering all the defaults happened up to 31<sup>st</sup> March, 2020) with retrospective effect will not prevent disqualification of directors from section 164(2)(b) of the Companies Act, 2013.*

Consolidated:

1. *Attention is invited to note no. 36 to the Consolidated Financial Statements, the Company has mortgaged its land situated at Perambur, Chennai as a security and also furnished corporate guarantee to a bank for the borrowings made by PVP Capital Limited, Chennai (i.e., wholly owned step-down subsidiary company) amounting to Rs. 10,000 lakhs. The outstanding amount as per the books of accounts as on March 31, 2021 including interest due is Rs 20,012.67 lakhs. The loanee i.e., PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the lender bank has taken possession of mortgaged lands*

and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee, but there were no bidders. We were informed by the Board that the subsidiary viz. PVP Capital Limited is in negotiation with the said bank for one time settlement (OTS). The Board of PVP Ventures Ltd also asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. But, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. Under these circumstances, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the loanee has already defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company in case the corporate guarantee is invoked. Accordingly, the holding company should have considered carrying value of the said asset and / or guarantee furnished as an obligation as per Ind AS 109 while preparing the financial statements. On the basis of above facts, the loss for the year ended March 31, 2021 is understated to this extent. However, it is difficult to measure the extent of under-statement of loss in the circumstances obtaining.

2. Attention is invited to note no. 33(a) & 33(b) to the Consolidated Financial Statements, which explains the management view point and understanding of the implications arising on account of defaults committed in redeeming the debentures and repayment of interest as per the schedule of redemption/ payment. Though the Board has obtained an extension till 30<sup>th</sup> June, 2021 from the debenture holder vide letter dated 08<sup>th</sup> February, 2021 to pay the outstanding. we are of the opinion that such extension of time granted by the debenture holder with respect to repayment of principal and interest (covering all the defaults happened up to March 31, 2020) with retrospective effect will not prevent disqualification of directors under section 164(2)(b) of the Companies Act, 2013.
3. Attention is invited to note no. 34 to the Statement, in relation to advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) amounting to Rs. 3,895.29 lakhs, by one of its subsidiaries whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The holding company's Board is of the view that advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2021. No evidence was adduced regarding the status of production of films. Nor was confirmation produced from the loan debtors. Consequently, we are unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2021 is understated.
4. Attention is invited to note no. 35 to the Statement, in relation to inventory i.e. films production expenses amounting to Rs. 4,995.64 lakhs, mainly consists of advances granted to artists and co-producers. As the films have not commenced and / or completed, the advances made continued to be carried as inventory. However, the Board of the holding company states that it is evaluating options for maximum utilization of these payments. In the absence of tangible evidence towards commencement and / or completion of production of films and also in the absence of confirmation of balances from the parties, we are unable to agree with the views of the Board. We are of the opinion that realisation of inventories is doubtful but we are also unable to decide the quantum of loss that may arise on account of write down of inventory.
5. The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31<sup>st</sup> March, 2021 have drawn Qualified conclusion in the following matter.
  - a. Attention is invited to note no. 36 to the Consolidated Financial Statement which indicates that, the Company has not adhered to the repayment schedule for the principal and interest dues to the Bank, consequent to which the Bank has filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act, 2002). Further the Bank has taken over symbolic possession of the immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee. The outstanding amount is Rs. 20,012.67 lakhs as per the books of account as at 31<sup>st</sup> March, 2021.  
  
Further the Company is currently pursuing the realization of dues to the Company and other than this the Company is not carrying any business activity. The regulatory authority may cancel the registration to carry the principal business activity as a Non-Banking Finance Company due to non-maintenance of minimum net owned fund of Rs. 200 lakhs as stated in the said note to the financial statement. The Company's inability to meet its financial statements, non-payment of statutory dues and in absence of visual cash flows, doubts are cast on the ability of the Company to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it is appropriate to treat the Company as a going concern. However, based on the management's assertions that the Company's financial statements have been prepared on the basis of going concern and the impact, if any, if it were to be treated as a going concern, is not ascertainable at this stage.
  - b. Attention is invited to note no. 37 to the consolidated Financial Statements, in relation to the loans for film production amounting to Rs. 15,381.04 lakhs, whose realisability is significantly dependent on timely completion of the production of the films and the commercial viability of the films under production etc. The Management has assessed the recoverability of the loan amount and accordingly made a provision of Rs. 13,889.46 lakhs as at 31<sup>st</sup> March, 2021. However, the Management is unable to provide the status of the production of the recoverability of the whole amount. films Hence we are unable to determine whether the said provision is adequate or not.

6. The independent auditor of subsidiary company viz. PVP Cinema Private Limited has drawn Qualified conclusion in the following matter which is reproduced as under:

*Interest on unpaid income tax for FY 2008-09 till date aggregating to Rs. 9.50 lakhs is not accounted. The accumulated loss is short by this amount.*

7. The independent auditor of subsidiary company viz. PVP Global Ventures Private Limited has drawn Qualified conclusion which is reproduced below

*We invite attention to Note No. 11.1 regarding advance of Rs. 10366.39 lakhs (PY: Rs. 10321.29 lakhs) given for acquisition of land. The long duration of outstanding of these advance and other factors like low probability of availability of a big chunk of land indicate the existence of uncertainty on the eventual realisability of these advance.*

*We invite attention to the fact that the Company has advanced Rs. 3389.09 lakhs (PY: Rs. 3434.19 lakhs). This has been classified under long term advance. The long duration of outstanding of these advance and other factors like non-payment of interest indicate the existence of uncertainty on the eventual realisability of these advance. However, this year Rs. 847.27 lakhs has been provided for Expected Credit Loss. The financial impact if any due to non-realisation is not ascertainable at this stage.*

**Management Comments on the above qualification:**

1. The Company has made investment in the Subsidiary Companies on a long-term basis with an intension to expand its business vicinity through its subsidiary companies. Considering the business potential of these companies, expected future generation of revenues, cash flows, expected development of these projects and the market value of the assets of the subsidiaries, the company is of the view that the provisions already created are sufficient and there is no requirement to create further provisions in the books of accounts.
2. The Company has given a corporate guarantee to its Step-down Subsidiary Company, PVP Capital Limited (PVPCL), which has not adhered to repayment schedule of principal and interest dues to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs. 20,012.67 lakhs (includes interest) along with consequent interest and costs thereon as on 31st March, 2021. Further the bank has initiated SARFAESI proceedings and has taken symbolic possession of secured, immovable property of the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.
3. The Company is of the view that loans and advances can be realized at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. The company is confident of realizing the value at which they are carried notwithstanding the period of outstanding.
4. The 'films under production expenses' mainly comprising payments to artistes and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. The company does not foresee any erosion in carrying value.
5. The Company has defaulted on repayment of interest and loans aggregating Rs. 20,012.67 lakhs which are payable on demand. Due to market condition in film industry, the company's borrowers did not meet their payment obligations and hence the above default. The company is contemplating to close the loan by way of One Time Settlement (OTS) to the Bank and is confident to settle the same.
6. a) The Company has a loan book of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's Borrowers did not service the interest and loan repayment. Consequently, the company has made a provision of Rs. 13,889.46 lakhs as on 31st March 2021 for the expected credit loss.  
a) Management asserts that no adjustment to the carrying value is required as it is confident by considering the aspects like recovery from the borrowers and other resources to bring in additional cash flows to meet its obligations.
7. The Company has given advance to acquire land for the proposed power projects. The Company is confident of acquiring the land against the advances. The Company doesn't foresee any erosion in carrying value of advances.
8. The management shall accrue the said interest in upcoming quarter in books of accounts.

**Note:1)** All the recommendations made by the Audit Committee and Nomination and Remuneration Committee are taken on record and accepted by the Board of Directors.

- 2) The Statement of Impact of Auditors Qualifications for the year ended 31st March, 2021 as per Regulation 34 (2) (a) of SEBI (LODR) Regulations, 2015 can be navigated via <https://www.pvpglobal.com/other-statutory-information/>

**21.2 Secretarial Auditor and Secretarial Audit report:**

Pursuant to the provisions of Section 204 of the Act and Rules and Regulation 24A of the Listing Regulations and other applicable provisions, framed thereunder, as amended, your Company has appointed Mr. PAP Murthy, Practicing Company Secretary to undertake the Secretarial Audit of PVP Ventures Limited and New Cyberabad City Projects Private Limited.

The Secretarial Audit Report forms part of the Annual Report as Annexure-2 of the Board's Report.

**Secretarial Auditors Qualifications:**

- a. *The Company did not submit the related party transactions on a consolidated basis as required under Regulation 23(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2020 with the stock exchange within 30 days from the publication of financial results. The Company submitted the same on 31.08.2020 for the financial results published on 31.07.2020.*
- b. *The Company had to give prior intimation as per Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020 about the meeting of Board of Directors in which the quarterly / annual financial results were to be considered for the period ended 31.03.2020 atleast 2 days in advance excluding the date of the intimation and date of the meeting. However, the same was intimated to Stock Exchange on 29.07.2020 for the Board meeting held on 31.07.2020.*
- c. *As per Regulation 30 read with Schedule III, Part A, Para A, sub clause 7A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to stock exchange about resignation of Statutory Auditors vide resignation letter dated 20.10.2020 which was received on 05.11.2020, within 24 hours of the receipt of resignation. However, this was intimated on 11.12.2020. Further the Company has not obtained the resignation in the format as prescribed in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.*
- d. *As per Regulation 34(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to provide the Statement on Impact of Audit Qualifications in its Annual Report for the year ended 31st March, 2020 but the same has not been provided.*
- e. *The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31st March, 2020 as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- f. *The Company was required to provide information as per the Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of explanatory statement to the notice of Annual General Meeting (AGM) where the Statutory Auditor is proposed to be appointed but the same has not been provided.*
- g. *The Company did not publish the details in the newspapers as per Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 with respect to:*
  - *Notice of the Board Meeting held on 31.07.2020 in which financial results for the period ended 31.03.2020 were considered.*
  - *Financial results for the period ended 31.03.2020.*
- h. *As per Regulation 50(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give prior intimation to stock exchange at least 11 working days before the date on which the amount of interest / redemption of Non - Convertible Debentures (NCDs) is due but the same was intimated on:*
  - *22.09.2020 for 386 NCD's which was due for payment on 30.09.2020*
  - *31.10.2020 for 829 NCD's which was due for payment on 31.10.2020*
  - *19.03.2021 for 386 NCD's which was due for payment on 31.03.2021*
- i. *As per Regulation 52(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit a certificate to stock exchange obtained from debenture trustee within 7 working days from the submission of Half year financial results but the same was submitted on 31.12.2020 for the half year ended 30.09.2020, results of which were published on 06.11.2020.*
- j. *As per Regulation 55 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to obtain a review of credit rating with respect to NCD's. However the same was not obtained during the review period.*
- k. *The Company did not obtain a certificate for maintenance of 100% asset cover as required under Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended*
  - *31.03.2020 from a Practising Chartered Accountant/ Practising Company Secretary*
  - *30.09.2020 from the Statutory Auditor*
- l. *As per Regulation 57(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit a certificate to the stock exchange that it has made timely payment of interest / principle within 2 days of amount becoming due, but the company has submitted the same on :*



➤ 05.01.2021 for 386 NCDs for the payments due on 31.12.2020

➤ 04.05.2020 for 829 NCDs for the payments due on 30.04.2020

Also the company has not made any intimation w.r.t. payments for the 829 NCD's due on 31.07.2020 and 31.01.2021.

m. As per Regulation 60 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to the stock exchange about the record date at least 7 working days in advance (excluding the date of intimation and the record date). However, the Company intimated the same to stock exchange on:

➤ 15.04.2020 for 829 NCDs for the record date 20.04.2020

➤ 12.06.2020 for 386 NCDs for the record date 22.06.2020

➤ 13.07.2020 for 829 NCDs for the record date 22.07.2020

➤ 22.09.2020 for 386 NCDs for the record date 29.09.2020

➤ 31.10.2020 for 829 NCDs for the record date 30.10.2020

➤ 19.03.2021 for 386 NCDs for the record date 30.03.2021

n. As per regulation 74(5) of SEBI (Depository Participants), Regulations 2018 the Company was required to file the certificate issued by RTA with the Stock Exchanges. However the Company has not filed the same for the quarter ended 31.03.2020.

o. As per Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B the Company did not intimate to stock exchanges the details of closure of trading window for the quarter ended 31.03.2020 and for the quarter ended 31.12.2020 the intimation was made on 06.01.2021.

p. The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 to the stock exchanges within prescribed / extended timelines. The Company filed the same on 08.07.2020.

#### **Management Response on Secretarial Auditors Qualification:**

a) The qualifications of Secretarial Auditors pertaining to delay in filing of reports and submissions have been noted by the Company and the Company assure to follow the same in future.

b) For point (c) the management was very keen in negotiating with the previous Auditor regarding their proposal to resignation from the Company creating the Casual Vacancy, hence the delay occurred. The delay occurred will avoided in future in such matters.

#### **23. Cost Records:**

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company and accordingly such accounts and records are not made and maintained.

#### **24. Reporting of Frauds**

There have been no instances of fraud reported by Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

#### **25. Stock Exchange Listing/ Listing Fees payment**

Presently, the Equity Shares of the Company are listed on the (BSE Limited) and National Stock Exchange of India Limited.

#### **26. Chairman & Managing Director and Chief Financial Officer Certification**

As required under the SEBI Guidelines, the Chairman and Managing Director and the Chief Financial Officer Certification is attached to this Report.

#### **27. Annual Return**

In accordance with Section 134 (3)(a) of the Companies Act, 2013, Annual Return in the prescribed format is available on website of the Company [www.pvpglobal.com](http://www.pvpglobal.com).

#### **28. Internal Financial Control**

The Company has a well-placed, proper and adequate Internal Financial Control (IFC) system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. This is commensurate with the nature of business and the size and complexity of the company's operations.

The real estate industry is passing through a challenging phase and the Company is no exception. The top management of the Company, to utilize the available resources efficiently has decided to engage itself more with the operations of the Company. The Company is further enhancing/ strengthening the internal financial reporting with respect to significant business control, risk management processes etc. The Company's internal controls are further supplemented by internal audits, management review and documented policies, procedures & guidelines

The company has systems, policies and process in place, pertaining to the Internal Control over the investments and advances in its subsidiaries. The Company is also extending the financial and strategic support to recover the investments and advances made to subsidiaries considering the market value of the assets and expected cash flows.

## **29. Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to the provisions of listing Regulations, the Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any genuine grievances to the appropriate authority.

The Company has a Whistle Blower Policy framed to deal with instances of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company [www.pvpglobal.com](http://www.pvpglobal.com). During the year under review the Company has not received any complaint(s) under the said policy.

## **30. Corporate Social Responsibility (CSR)**

Your Company has in place a CSR Committee in accordance with Section 135 of the Act. The details of the CSR Policy and the Report on CSR activities as prescribed under the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as **Annexure 3**. Further, the CSR Policy as approved by the Board is also available on website of the company.

## **31. Particulars of employees**

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure 4** to the Board's Report.

## **32. Risk Management Policy**

The Company has risk management policy in place which mitigates the risk at appropriate situations and there are no elements of risk, which in the opinion of Board of Directors may jeopardize the existence of the Company.

## **33. Compliance with Secretarial Standards**

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

## **34. Disclosure under the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during financial year ended March 31, 2021:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

## **35. Conservation of Energy, Technology Absorption and Foreign Exchange Earning/Outgo**

Disclosures pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, are not applicable to your company during the year under review.

## **36. Acknowledgements**

Your Directors wish to express their appreciation for the support and co-operation extended by the bankers, financial institutions, joint development partners, shareholders, government agencies and other 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 Board of Directors

Sd/-

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

Sd/-

**N S Kumar**  
Director

Place: Chennai  
Date: August 11, 2021



# MANAGEMENT DISCUSSION AND ANALYSIS

## A. ECONOMIC OVERVIEW

Indian economy was primed to become the fastest growing economies in early 2018, driven by strong consumption and steady growth across sectors. Economic pressures across the globe had a direct bearing on the Indian economy resulting in an estimated decline in growth of GDP to 3.1% in FY21. Despite these shortcomings, the economy was exhibiting signs of a promising future evidenced from the improvements in “Ease of Doing Business”.

Recent pandemic of a global scale has impacted all businesses alike and is expected to contract the economy by 4.5% in FY21. Lock-downs imposed by governments and authorities at various levels have disrupted the business operations and brought of the businesses to grinding halt. Varied policy measures by the government coupled with a solution to arrest the spread of COVID19 remains to be primary recovery driver of the lost momentum.

## B. INDUSTRY STRUCTURE AND DEVELOPMENT

### REAL ESTATE

Real estate as an asset class has been severely impacted due to the COVID pandemic, with impact across all segments like residential, commercial buildings and retail malls. According to recent reports. Further, the COVID situation is likely to result in a 65% drop in the demand for residential real estate in the coming year. Further, according to industry sources, the demand for residential real estate has dropped by almost 70% in the throughout the year. The industry is under high levels of cash flow stress and its estimated that around 60% of the loans taken for Development across India are at a high risk of default. Developers are offering attractive schemes, including steep discounts on the list price to attract home buyers.

In order to provide relief to the Borrowers, Reserve Bank of India announced a 6 months moratorium which provided the much-needed short term relief to all sectors, including real estate but the evidential loss and storm due to COVID is very deep. Further, the one-time restructuring scheme mooted by RBI should provide near term support to the industry to tide through the strained cash flow situation.

### MEDIA & ENTERTAINMENT

Despite the recent challenges, the Indian media and entertainment industry is at the cusp of rapid development backed by a steady increase in consumer demand and rising internet penetration and OTT platform development.

COVID 19 and the following government-imposed lockdowns since March 2020 has severely impacted, owing to production restrictions and closure of exhibition avenues. The lockdowns have also delayed major releases and shelved many ongoing projects. Digital medium / OTTs has become the prime source of content distribution, until normalcy resumes, and theatres start functioning at full capacities.

## C. OPPORTUNITIES, RISKS AND CONCERNS

### OPPORTUNITIES

Despite the grim outlook of the Real Estate sector, there have been certain potential green shoots of opportunities that has emerged owing to the changes to the lifestyle and work environment. Work from home has opened venues for an upgrade in the living space and for spacious homes, that can double up as home office and as well as social space. There has been moderate movement in demand for individual plots and villas. Government initiatives to reduce repo rate to the lowest has housing as an attractive asset class, both as an investment and as a social asset.

In the times of crisis Over the top (OTT) has come as boom to the film makers as theatrical release of movies has speculated to be reduced, which impacted the revenue earners in the industry badly.

### THREATS, RISKS AND CONCERNS

The COVID pandemic and the ensuring social distancing norms have hampered all activities since March 2020.

The lockdown has brought economic activity to standstill and many sectors are on the slowly reviving their operations back. The economy has witnessed a sharp contraction by ~40% in 2020-21 amidst high levels of ambiguity on business and employment scenario. Hence the overall demand is likely to be passive in general. Further, the pandemic and the following moratorium has created a high level of uncertainty on the asset quality / capital adequacy of the banks. Hence, it is expected that the banks will be cautious in their lending approach, which would have a bearing on the credit to both businesses and individuals, which will have a direct impact on real estate demand. Finally, Real estate, being a highly capital-intensive industry, is under high liquidity stress and Developers are finding ways and means to navigate through the crisis. This might impact timely delivery of ongoing projects, which in turn will negatively impact home buyer's confidence levels.

This has resulted in time and cost over-runs in content production process and making the title available for release. Further with muted credit availability and liquidity stress in the economy, the credit flow to movie industry has been severely impacted, further slowing down the content production process. Also, theatrical release that has been one of the most important sources of revenue for film producers, contributing between 40-50% of the overall revenue pie, is severely hampered. Consequent to COVID, most of the multiplexes and standalone theatres are still under lock-down, despite other businesses slowly returning to normal operations. Prolonged lock down of theatres and/or reduction in seating capacity due to social distancing norms could impact overall revenue from movie screening.

#### **D. OUTLOOK**

Overall economic outlook of the economy would likely to be guided by the developments in handling of the pandemic. However, governmental measures have shown promise in reviving the economy from the contraction at the earliest by boosting domestic demand and consumption.

Real Estate is expected to continue being under stress for the immediate future and would trace revival depending upon the pace of economic recovery. New launches are likely to be muted and there could be opportunities for consolidation in select markets. There is likely to be a demand spurt in select micro markets and product categories as customers seek houses that provides the right atmosphere to work from home and collaborate with a good community in a safe manner.

For Media and Entertainment industry, In the near term, OTT, satellite, and other digital platforms will continue to increase their market share as viewers would be cautious in venturing out to multiplexes and movie theatres. There will be an increased use of analytics in these digital platforms to understand user preferences in granular detail, which will serve as a guiding factor for new content creation. The audience base is set to widen and pave way for innovative, vernacular based customized content for each audience base. This given, when theatres also open, the overall market size for movies would be large and broad based, which will have a favorable impact on the industry in the long run.

#### **E. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATION THEREOF, INCLUDING:**

- 1) Debtors' turnover: NA
- 2) Inventory turnover: 0.27
- 3) Interest coverage ratio: = -0.47
- 4) Current ratio = 0.35
- 5) Debt Equity ratio = 0.65
- 6) Operating profit margin = 1
- 7) Net profit margin = -0.84

# REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

The Company believes in the system of accountability, transparency and business ethics in its business coupled with utmost importance to statutory compliances. Your Company believes that good Corporate Governance will lead to attainment of long-term goals and value addition to the Stakeholders of the Company. The Corporate Governance process and systems have been gradually strengthened over the years.

## 1. Company's philosophy on Corporate Governance :

PVP Ventures Limited believes in the following three tier Corporate Governance Structure:

- (i) Members appoint the Board of Directors ('Board') and authorize to conduct business with objectivity and ensure accountability;
- (ii) Board leads the strategic management of the Company on behalf of the Shareholders and in the best interests of all the Stakeholders, exercises supervision through direction and control and constitutes various Committees to handle specific areas of responsibilities; and
- (iii) The Committees of the Board and Executive Management appointed by the Board take up specific responsibilities and day-to-day tasks to ensure that the activities of the Company are being managed according to the strategies and targets set by the Board.

The above principles have been the guiding force for whatever your Company does and shall continue to be so in the years to come. The Company is committed to adapting to the best practices in Corporate Governance and Disclosure.

## 2. Board Composition:

### (a) Composition and Category of Directors

The Board consists of Five Directors comprising 1 (one) - Executive Director and 3 (three) Independent Directors and 1 (One) Non-Executive Non Independent Woman Director, as on March 31, 2021. The composition of the Board represents the finest blend of professionals from various backgrounds which enable the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

### (b) Attendance at Board meeting:

The attendance of the Directors at the Meeting of Board of Directors held during financial year 2020-21 is as follows:

SL NO	NAME	NO. OF BOARD MEETINGS		ATTENDANCE AT THE AGM HELD ON DECEMBER 11, 2020
		HELD	ATTENDED	
1.	Mr. Prasad V. Potluri	4	4	Yes
2.	Mr. N S Kumar	4	4	Yes
3.	Mr. Sohrab Chinoy Kersasp	4	4	Yes
4.	*Mrs. PJ Bhavani	4	4	Yes
5.	**Mr. Nandakumar Subburaman	4	4	Yes

\* Ms. PJ Bhavani was appointed as an Additional Non-Executive Non-Independent Director w.e.f 31.07.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11<sup>th</sup> December, 2020.

\*\* Mr. Nandakumar Subburaman was appointed as Additional Director w.e.f 07.11.2019 & Change in Designation as Independent Director w.e.f 30.01.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11<sup>th</sup> December, 2020.

Mrs. P J Bhavani holds 1650 shares in the Company.

The necessary quorum was present for all the Board Meetings and the 29<sup>th</sup> Annual General Meeting.

**Note:** Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

A code of conduct as applicable to the Directors and the designated senior management of the Company had been approved by the Board and adhered by them. A declaration to this effect from the Managing Director of the Company attached to this Annual Report.

### (c) Other Directorships

The details of each Member of the Board along with number of Directorship(s)/ Committee Membership(s) held by Directors in companies other than PVP Ventures Limited, date of appointment to the Board of PVP Ventures Limited and Director Identification Number (DIN) are provided below for the period ended March 31, 2021:

NAME OF THE DIRECTOR	DESIGNATION/ POSITION	DATE OF APPOINTMENT	DIN	DIRECTORSHIPS IN OTHER COMPANIES	POSITION ON COMMITTEES OF THE BOARD OF OTHER INDIAN COMPANIES	
					AS CHAIRMAN	AS MEMBER
Mr. N S Kumar	Non-Executive and Independent Director	19/03/2001	00552519	4	2	2
Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	22/03/2019	03300321	7	2	2
Mr. Prasad V. Potluri	Chairman and Managing Director	04/12/2007	00179175	1	Nil	2
*Mrs. PJ Bhavani	Non-Executive Director	31-07-2020	08294839	1	Nil	Nil
***Mr. Nandakumar Subburaman	Non-Executive Independent Director	07/11/2019	00611401	2	0	0

\* Ms. PJ Bhavani was appointed as an Additional Non-Executive Non-Independent Director w.e.f 31.07.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11<sup>th</sup> December, 2020.

\*\* Mr. Nandakumar Subburaman was appointed as Additional Director w.e.f 07.11.2019 & Change in Designation as Independent Director w.e.f 30.01.2020 and was appointed by the Shareholders in the Annual General Meeting of the Company held on 11<sup>th</sup> December, 2020.

#### Notes

- None of the Directors are related to each other
- As required by Regulation 26 of SEBI (LODR) Regulations, 2015 the disclosure includes Membership/ Chairpersonship of the Audit Committee and Stakeholders Relationship Committee of other public limited companies.
- In Picturehouse Media Limited (Listed Company), Mr. N S Kumar, Mr. Sohrab Chinoy and Kersasp Mr. Nandakumar Subburaman Independent Directors. Mr. Prasad V. Potluri is the Managing Director, Mrs. PJ Bhavani is the Non-Executive Director
- Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the Company shall hold at least 1 meeting in the Financial year, without the attendance of non-independent directors and members of the management. The Independent Directors have held a meeting on February 09, 2021 reviewed and discussed, the performance of non-independent directors and Board as a whole, and assessed the quality, quantity and timelines of flow of information between the company management and the Board which is necessary for the Board to effectively and reasonably perform their duties, the performance of the Company and risks faced by it, flow of information to the Board, competition, strategy, leadership strengths, weaknesses, governance, compliance, board movements, HR matters and performance of Chairman.

None of the Directors hold Directorships in more than 20 Companies.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

#### (d) Number of Board Meetings

During the year ended March 31, 2021, the Board met Four (4) times i.e., on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021.

#### (e) Disclosure of relationship between directors inter-se

None of the Directors are related to each other

#### (f) Shares held by Non-Executive Directors

As on March 31, 2021, Mrs. P J Bhavani Non Executive Non Independent Director of the Company holds 1650 shares in the Company .

#### Directors Induction, Evaluation and Familiarization

The details of Director's induction and familiarization are available on the Company's website at [www.pvpglobal.com](http://www.pvpglobal.com). Details of the familiarization programme is hosted on <http://www.pvpglobal.com/other-statutory-information/>.

(g) **General Director Qualification Criteria:**

The Board has not established specific minimum age, education and years of business experience or specific types of skills for Board members, but, in general, expects a candidate to have extensive experience and proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / Competencies of the Director are given below;

**Skills and its description**

	Mr. Prasad V Potluri	Ms. P J Bhavani	Mr. N S Kumar	Mr. Sohrab Chinoy Kersasp	Mr. Nandakumar Subburaman
<b>Finance and Accounting Experience</b> Experience in handling Financial Management of the organization along with the an understanding of accounting and Financial Statements	✓	✓	✓	✓	✓
<b>Experience of crafting Business Strategies</b> Experience in developing long-term strategies to grow business, consistently, profitability and in a sustainable manner in diverse business environment and changing economic conditions	✓	✓	✓	✓	✓
<b>Experience on understanding of the changing regulatory landscape</b> Experience of having Board accountability, high governance standard with an understanding of changing regulatory framework	✓	✓	✓	✓	✓

(h) **Independence of Independent Directors**

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013.

(i) **Resignation of Independent Director**

During the Financial year March 2021 none of the Independent Director resigned.

**3. Audit Committee:**

**a. Brief description of terms of reference**

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the company with related parties;
- ix) Scrutiny of inter-corporate loans and investments;
- x) Valuation of undertakings or assets of the company, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii) To review the functioning of the Whistle Blower mechanism;
- xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- xxi) Monitoring the end use of funds raised through public offers and related matters;
- xxii) To review the management discussion and analysis of financial condition and results of operations;
- xxiii) To review the statement of significant related party transactions (as defined by the audit committee), submitted by management;
- xxiv) To review the management letters / letters of internal control weaknesses issued by the statutory auditors;
- xxv) To review the internal audit reports relating to internal control weaknesses;
- xxvi) To review the appointment, removal and terms of remuneration of the chief internal auditor.
- xxvii) To review the statement of deviations of following:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xxviii) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company; and
- xxix) The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

**b. Composition, Name of Members and Chairperson**

The Audit Committee was constituted by the Board with 2 Independent Directors and 1 Executive Director with Independent Director as its Chairman.

All Members are financially literate and have the required accounting and financial management expertise.

NAME OF THE DIRECTOR	CATEGORY	POSITION
Mr. N S Kumar	Non-Executive and Independent Director	Chairman
Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Chairman & Managing Director	Member

**c. Audit Committee meetings and Attendance of the Audit Committee Meetings:**

The Audit Committee met Four (4) times during the financial year 2020-21 i.e., on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021 and not more than One Hundred and Twenty days had elapsed between any two Audit Committee Meetings. The necessary quorum was present for all the Audit Committee Meetings.

**Note:** Wherever, the required Limit of gap between two Meetings exceeded is due to and as per the Notification issued by the Statutory Authorities like Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) in view of the COVID-19 issued time to time.

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF AUDIT COMMITTEE MEETINGS	
			HELD	ATTENDED
1	Mr. N S Kumar	Non-Executive and Independent Director	4	4
2	Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	4	4
3	Mr. Prasad V. Potluri	Chairman and Managing Director	4	4

The Company Secretary of the Company acts as a Secretary of the Committee.

**4. Nomination and Remuneration Committee**

**a. Brief description of terms of reference**

The Terms of Reference of Nomination and Remuneration Committee is as follows:

- Determine/recommend the criteria for qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulate criteria for evaluation of each Director's performance and performance of the Board as a whole;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Determine/recommend the criteria for appointment of Executive, Non-executive and Independent Directors to the Board;

**b. Details of Composition, name of members and Chairperson**

The Nomination and Remuneration Committee consists of 2 Independent Directors and One Non-Executive and Non Independent Director with Independent Director as its Chairman. Further, the Committee was re-constituted in the Board Meetings held on November 06, 2020 to appoint Mr. Sohrab Chinoy as Chairman of the Committee.

The Nomination & Remuneration Committee comprises of three (3) Directors, as detailed below.

**Details of Composition of the Committee:**

NAME OF THE DIRECTOR	CATEGORY	POSITION
*Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	Chairman
**Mr. N S Kumar	Non-Executive and Independent Director	Member
Ms. PJ Bhavani	Non-Executive and Non-Independent Director	Member

\*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

\*\*Mr. N S Kumar - Chairman till 05-11-2020

The Company Secretary of the Company acts as the Secretary to the Nomination & Remuneration Committee.

**c. Nomination & Remuneration Committee Meeting and Attendance during the financial year ended March 31, 2021**

The Nomination & Remuneration Committee met two (2) time during the financial year 2020 - 2021 on July 31, 2020 and November 06, 2020.

## Details of Attendance of the Nomination and Remuneration of Committee Meetings

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF MEETINGS	
			HELD	ATTENDED
1	Mr. N S Kumar	Non-Executive and Independent Director	2	2
2	Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	2	2
3	Mrs. PJ Bhavani	Non-Executive Director	2	2

### d. Performance Evaluation Criteria of Independent Director:

During the year, committee under the guidance of Board, also formulated the criteria and framework for the performance evaluation of every Director of the Board including independent Directors and identified the ongoing training and education programs to ensure that the independent Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

### Board Level Performance Evaluation

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on annual basis. The Performance evaluation of Independent Directors was carried out by the entire Board of Directors without participation of the directors who are subject to the evaluation.

## 5. Remuneration of Directors:

- There is no pecuniary relationship or transaction of Non-Executive Directors with the Company during the year 2020 - 2021.
- No remuneration is paid to Non-Executive Directors, apart from sitting fee for attending the Board & Committee meetings.
- Disclosures with respect to remuneration :

- All elements of remuneration package of individual Directors summarized under major groups such as salary, benefits, bonuses, stock options, pension etc.

Remuneration is paid to Mr. Prasad V. Potluri, Chairman & Managing Director of the Company, no other directors receive any remuneration apart from sitting fee.

Details of sitting fees paid to the Directors are as follows:

NAME OF THE DIRECTOR	AMOUNT (IN RUPEES)
Mr. Prasad V. Potluri	NIL
Mr. Sohrab Chinoy Kersasp	1,25,000/-
Mr. N S Kumar	1,25,000/-
Mr. Nandakumar Subburaman	20,000/-
Mrs. PJ Bhavani	Nil
Mrs. Sai Padma Potluri	NIL

- Details of fixed component and performance linked incentives, along with the performance Criteria: NA
- Service contracts, notice period, severance fees: Nil
- Company has not granted any Stock options during the year

## 6. Stakeholders' Relationship Committee:

### c. Composition of the Committee

The Stakeholders' Relationship Committee comprises of three Directors, as detailed below.

### Details of Composition of the Committee:

NAME OF THE DIRECTOR	CATEGORY	POSITION
*Mr. Sohrab Chinoy Kersasp	Non-Executive and Independent Director	Chairman
**Mr. N S Kumar	Non-Executive and Independent Director	Member
Mr. Prasad V. Potluri	Chairman & Managing Director	Member

\*Mr. Sohrab Chinoy Kersasp – Member till 05-11-2020

\*\*Mr. N S Kumar - Chairman till 05-11-2020



The Company Secretary of the Company acts as the Secretary to the Stakeholders' Relationship Committee.

**d. Stakeholders' Relationship Committee Meeting and Attendance during the financial year ended March 31, 2021.**

The Committee met four (4) times during the financial year 2020 - 21 on July 31, 2020, September 14, 2020, November 6, 2020 and February 9, 2021. The Committee was reconstituted on November 06, 2020 to Induct Mr. Sohrab Chionoy Kersasp as Chairman of the Committee.

**Details of Attendance of the Stakeholders' Relationship Committee Meetings**

SL NO	NAME OF THE DIRECTOR	CATEGORY	NUMBER OF MEETINGS	
			HELD	ATTENDED
1	Mr. N S Kumar	Non-Executive and Independent Director	4	4
2	Mr. Sohrab Chionoy Kersasp	Non-Executive and Independent Director	4	4
4	Mr. Prasad V. Potluri	Executive Director	4	4

**e. Name and designation of the Compliance Officer;**

Mrs. Ramyanka Yadav K, Company Secretary and Compliance Officer with effect from July 31, 2020

**f. Number of Shareholders' Complaints Received so far – NIL**

**g. Number of complaints not resolved to the satisfaction of shareholders is NIL**

**h. There were no pending complaints as at the year end.**

**7. General Body Meetings**

**a. Annual General Meetings**

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

YEAR	VENUE	DATE & TIME	SPECIAL RESOLUTIONS PASSED
2019-20	Deemed place of meeting is Registered office i.e., KRM Centre, 9th Floor, Door No. 2 Harrington Road Chetpet - 600031, Tamil Nadu, India through Video Conference.	December 11, 2020 10:00 A.M	Nil
2018-19	Sri. P. Obul Reddy Hall", Vani Mahal, 103, G N Road, T. Nagar, Chennai – 600 017, Tamil Nadu	September 27, 2019 10:00 A.M	1. Re-appointment of Mr. N S Kumar as an Independent Director
2017-18	Sri. P. Obul Reddy Hall", Vani Mahal, 103, G N Road, T. Nagar, Chennai – 600 017, Tamil Nadu	September 10, 2018 10:00 A.M	Issuance of secured, rated, listed redeemable, Non-Convertible Debentures by way of Private Placement.

**b. Extraordinary General Meetings:**

No Extraordinary General Meeting held during the year.

**c. Postal Ballot:**

During the year 2020-21, the Company has passed no resolution through Postal Ballot.

**d. Special resolution proposed to be conducted through postal ballot**

There is no such proposal as of now. In case, any resolution needs to be passed through Postal Ballot during the year 2020-21, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules made thereunder will be complied.

**8. Means of Communication:**

- The quarterly results are published in Financial Express (English) and Makkalkural (in Tamil)
- Quarterly Financial Results are furnished within the time frame to all the concerned Stock Exchanges as per Clause 41 of the Erstwhile Listing Agreement and Regulation 33 of the Securities Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same are displayed on the Company's website [www.pvpglobal.com](http://www.pvpglobal.com)
- The website [www.pvpglobal.com](http://www.pvpglobal.com) also displays vital information relating to the Company and its performance and such other statutory information such as shareholding pattern, annual reports, policies/code of conduct and such other like.
- No official news releases or presentations to institutional investors/analysts were made during the year.
- Presentations made to Institutional investors or to the analysts: Nil.

## 9. General Shareholder information:

- a. **Annual General Meeting** – September 27, 2021 at 10.00 am through Video Conference Deemed place of meeting at Registered Office of the Company.
- b. **Financial Year** of the Company is 1st April to 31 March.
- c. **Dividend payment date** – Not Applicable
- d. **Listing on Stock Exchanges** – The Company's share are listed on:

Name of the stock exchange	Address
BSE Limited (BSE)	PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023
National Stock Exchange of India Limited (NSE)	Exchange Plaza, 5 Floor, BandraKurla Complex, Bandra (East), Mumbai - 400 051

The Company Paid Listing fees for the Financial year March 2021 and 2022 to BSE Limited and National Stock Exchange of India Limited

- d. **Stock Code** of the Company's scrip is PVP for NSE and 517556 for BSE.
- e. **High and Low Market Price during each month in the accounting year was as follows:**

*The share trading of the Company is suspended effect from April 09, 2019 for penal reason for non-compliance on non-appointment of woman director and non-reconstitution of Nomination & Remuneration Committee for the quarter ended September 2018 till December 4, 2018. Post effective date of suspension, the shares were traded on every Monday of week from April 2019 to till October 29, 2019 and thereafter no securities of Company were traded.*

- f. **Performance in comparison to broad-based indices such as BSE Sensex, Nifty 50**

- I. **Performance of PVP Ventures Limited monthly closing prices in comparison to monthly BSE Sensex closing**

*The share trading of the Company is suspended effect from April 09, 2019 for penal reason*

- II. **Performance of PVP Ventures Limited monthly closing prices in comparison to monthly NSE Nifty closing**

*The share trading of the Company is suspended effect from April 09, 2019 for penal reason*

- g. **Revocation of Suspension of trading in Equity Shares of the Company**

Trading in the equity shares of the Company have been suspended with effect from April 09, 2019 for penal reason for non-compliance on non-appointment of woman director and non-reconstitution of Nomination & Remuneration Committee for the quarter ended September 2018 till December 4, 2018.

The Company has appointed a Woman Director w.e.f 05<sup>th</sup> December 2018. The Company has filed application under Regulation 102 of SEBI (Listing Obligations & Disclosure Regulations) 2015 ("LODR"). SEBI has not considered the application on the ground that, the Company has not met the criteria under listing regulation to withdraw enforcement on the suspension of trading.

Further, the Company has filed the appeal before SEBI, Securities Appellate Tribunal ("SAT"), Mumbai. The appeal is dismissed by Hon'ble SEBI SAT vide its Order dated 17 03 2021 The Company paid the fine imposed by the BSE Limited on 29<sup>th</sup> March 2021 and filed an application before NSE & BSE and for the revocation of Suspension of trading in Equity Shares of the Company. The applications were accepted by both the Stock Exchange and the trading is resumed back with effect from July 22, 2021.

- h. **Registrar to issue and Share Transfer Agents**

KFin Technologies Private Limited  
Selenium Tower B, Plot Nos. 31 and 32,  
Financial District, Nanakramguda, SerlingampallyMandal,  
Hyderabad 500 032, Telangana.  
T: +91 040 – 6716 1591 E: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

- i. **Share Transfer System:** The Registrar and Share Transfer Agents, Fin Technologies Private Limited, handles share transfer.
- j. **Distribution of Shareholding as on 31st March, 2021 was as follows:**

- (i) **Categories of Shareholders:**

CATEGORY	NO. OF SHARES	% TO SHARE CAPITAL
Promoters	140990766	57.53
FIIs and Financial Institutions/Banks	446640	0.18
Private Corporate Bodies	5181860	2.11
Indian Public	69811983	28.49
NRIs / HUFs/Clearing Members//Trusts	4115882	1.68
Foreign Corporate bodies/Overseas corporate bodies	24505570	10.00
<b>Total</b>	<b>245052701</b>	<b>100.00</b>

(ii) **Distribution of Shareholding:**

Sln	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	30581	94.53	18973717	7.74
2	5001 - 10000	891	2.75	7011470	2.86
3	10001 - 20000	443	1.37	6354479	2.59
4	20001 - 30000	131	0.40	3309453	1.35
5	30001 - 40000	67	0.21	2353232	0.96
6	40001 - 50000	50	0.15	2321010	0.95
7	50001 - 100000	102	0.32	7222344	2.95
8	100001 and above	86	0.27	197506996	80.60
	<b>TOTAL:</b>	<b>32351</b>	<b>100.00</b>	<b>245052701</b>	<b>100.00</b>

k. **Dematerialization of Shares and Liquidity:** To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL): As on 31st March, 2021, 99.88% shares were held in dematerialized form.

l. **There are no outstanding Global Depository Receipts/American Depository Receipts or Warrants or any convertible instruments as on the date of March 31, 2021.**

m. **Commodity Price Risk or Foreign Exchange risk and hedging activities:** The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

n. **Plant locations**

The Company do not have any plants.

o. **Address for Correspondence**

PVP Ventures Limited  
4th Floor, Punnaiah Plaza, Plot No.83 and 84,  
Road No.2, Banjara Hills, Hyderabad – 500034.  
T: +91-40-6730 9999; F No: +91-40-6730 9988.  
E: [investorrelations@pvpglobal.com](mailto:investorrelations@pvpglobal.com)

p. **List of all Credit ratings obtained by the entity**

The Company has received Credit ratings from Brickwork, SEBI registered for its NCD's (Tranche A& B). Following are the details:

06.01.2020	Tranche A & B	BWR D (Issuer not Cooperating)
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Further, the details are also provided on the website of the Company.

**10. Other Disclosures**

i. There were no material 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. All related party transactions are intended to further the business interests of the Company.

ii. Details of Non-Compliance:

- PVP Global Ventures Private Limited. ("PVP Global"), Mr. Prasad V Potluri and PVP Ventures Ltd, received Orders from Adjudicating Officer dated 27th March, 2015 for non-compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 & SEBI (Prohibition of Insider Trading) Regulations, 1992. Subsequently, they have filed appeals before the Securities Appellate Tribunal (SAT) vide Appeal No. 356 & 357 of 2015 challenging the orders of Adjudicating Officer.

SAT vide order dated 20th June, 2018 reduced the penalty of Rs. 1,530 lakhs on Mr. Prasad V Potluri to Rs. 515 Lakhs, upheld the penalties of Rs. 1,500 lakhs imposed on PVP Global Ventures private Limited and Rs.15 Lakhs on PVP Ventures Limited. Hence, miscellaneous Applications No.180 & 181 dt. 2nd Jul'18 were filed before the Hon'ble SAT for staying its order for which the SAT granted 6 weeks' time to appeal with Hon'ble Supreme Court. Also on 6th July 2018, as Security, the appellants deposited Original Title deeds of Land valuing more than Rs.30 Crores, held by its subsidiaries for realization and payment of the aforesaid demand. Civil appeal No.9092 dated 16th August 2018, was filed before the Hon. S.C, which was dismissed on 14th September, 2018, and the SAT Orders were upheld. A demand was raised by the Recovery Officer, SEBI, Vide No.1770, 1771 and 1772 dated 26th October, 2018 with Interest from, 27th March, 2015, the date of order from Adjudicating Officer. The appellants filed review petitions before the Honorable SEBI/SAT, Mumbai on 10th November 2018 & 21st November, 2018, stating technical and legal reasons, that the final SAT order was dated 20th June 2018, whereas the Interest was calculated since 2015 and the orders dated 27th Mar'15 & 28th Jun'18 are silent on levy of interest.

SEBI initiated attachment proceedings on 19th November, 2018 of the Demat Accounts & Bank accounts of the three appellants. The holding company, PVP Ventures Ltd. paid Rs.15 lakhs and disputed interest of Rs. 6.46 lakhs on 07th Dec'18 and the freezing of accounts was lifted for PVP Ventures Ltd. SAT, dismissed the company's appeal on interest in Apr'19. The Company has appealed with the Honorable Supreme Court and received Stay Order dated 12th July, 2019 for payment of Interest. The appellants have written to SEBI, requesting to keep the order on record and to keep the recovery proceedings in abeyance.

Further, PVP Global Ventures Private Limited has made provisions, for the principal amount of Rs. 1500 lakhs and disputed interest of Rs. 645.53 lakhs.

- Due to the non-appointment of Woman Director until December 05, 2018, the NSE and BSE imposed fine amounting to Rs. 12,96,820 each for non-compliance with the SEBI (LODR) Regulation 17(1) and Regulation 19(1) & (2) respectively. Further, the shares of the Company were shifted to "Z" category ("BZ" series) (trading on trade for trade basis) w.e.f. February 26, 2019.

The Company received Intimation letter from NSE & BSE Limited for Suspension of trading of Securities with effect from April 09, 2019 due to non-compliance in payment of fines and in 2021 all the payments were made and the revocation of suspension of trading of the equity shares of the company was also completed and equity shares of the company are lively traded on both the stock exchanges since July 22, 2021.

- During the Financial year, the Company filed an appeal before the Hon'ble SEBI Securities Appellate Tribunal to challenge the monetary fine imposed by Stock Exchanges (i.e., BSE Limited & National Stock Exchange India Limited) on the Non Compliances under Regulation 17(1) – Composition of Board and Composition of Nomination & Remuneration Committee under regulation 19(10)/(2)) for the quarter ended September, December 2018. The Company has made the payment of Rs. 11, 86,920/- (Under Protest) to National Stock Exchange India Limited ("NSE") on October 01, 2019 to protect interest of the Shareholders of the Company and the protection of whose interest is also regulatory mandate. Also the Company approached the NSE to revoke the suspension of trading of Securities.

The NSE advised to close the Compliances at both recognized Stock Exchanges i.e BSE Limited, post the action the NSE can revoke the Suspension of trading.

The Appeal filed by the Company is dismissed by the SEBI SAT and Company made the payment of Fine on 29-03-2021 also filed the application before the BSE Limited to revoke the Suspension of trading of securities of the Company. The Stock exchanges accepted the application and the trading of securities is resumed back with effect from July 22, 2021.

- The Company received the Notice from BSE Limited vide its Notice LIST/COMP/Reg.27(2)&Reg.17to21/Sep-19/517556/219/2019-20 dated October 31, 2019 for the Non Compliances under Regulation 19(1)(2) on the non Compliance of Constitution Nomination and Remuneration Committee and imposed fine to Rs. 1,13, 280/-.The Company paid the fine on 05-04-2021.

- iii. The Whistle blower policy as approved and adopted by the Board of Directors provides adequate safeguards against victimization of employees and provides access to the Audit Committee.
- iv. The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any of the clauses with regard to discretionary requirements.
- v. The Policy for determining material subsidiaries is disclosed on the website of the Company <http://www.pvpglobal.com/pdf/PolicyonMaterialSubsidiaries-PVPL.pdf>.
- vi. The Policy on Related Party Transactions as approved and adopted by the Board of Directors is displayed on the website of the Company at <http://www.pvpglobal.com/pdf/RPTPolicy-PVPL.pdf>
- vii. Disclosure of commodity price risks and commodity hedging activities. – Not Applicable
- viii. There were no funds raised through preferential allotments or qualified institutional placements as specified under Reg. 32(7A)
- ix. The Company has duly enclosed the certificate received from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Further the Company has enclosed for perusal.
- x. During the financial year, the Board have accepted all the recommendations made by the Nomination and Remuneration and Audit Committee(s).
- xi. M/s. Sundaram & Srinivasan, Chartered Accountants. are the statutory Auditor of PVP Ventures Limited and Picturehouse Media limited its subsidiary company Further, total amount of Rs.42,00,000/- (Net of TDS) was paid to them for both the Companies for the relevant financial year.
- xii. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year - Nil
  - b. number of complaints disposed of during the financial year -Nil
  - c. number of complaints pending as on end of the financial year - Nil

11. The Company has complied with the requirements of the Schedule V, Corporate Governance report sub-paras (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
12. The Company has not adopted any of the Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
13. The Company has made all the disclosures for compliance with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 in the section Report on corporate governance of the annual report. Further, the Company has attached code of conduct, MD certificate and Compliance certificate issued by practicing Company secretary.
14. Disclosure with respect to Demat suspense account/ unclaimed suspense account – **Not applicable**

**Other information useful for Shareholders:**

- a) In view of amendments to the Listing Regulations vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, effective April 1, 2019, requests for effecting transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository, except in case of transmission or transposition of shares
- b) Shareholders holding shares in physical form are requested to notify the Company in writing, any change in their address and Bank Account details under the signature of sole / first joint holder. Beneficial owners of shares in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their Depository Participants (DP) as the same are maintained by the DP.
- c) SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to furnish their PAN details to their DP, if not already provided.

Members holding shares in physical form are required to mandatorily submit the following to RTA.

- a. copy of their PAN, if not already provided; and
- b. copy of the PAN card of the transferee(s), members, surviving joint holder(s) / legal heir(s) while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates

For and on behalf of Board of Directors

Date: August 11, 2021  
Place: Chennai

Sd/-  
**Prasad V. Potluri**  
Chairman & Managing Director

## Code of Conduct for Directors and Senior Management

As the Chairman & Managing Director of PVP Ventures Limited and as required by Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year 2020-21.

For and on behalf of Board of Directors

Date: August 11, 2021  
Place: Chennai

Sd/-  
**Prasad V. Potluri**  
Chairman & Managing Director

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### MD AND CFO CERTIFICATION

The Chairman & Managing Director and CFO have given a Certificate to the Board as contemplated in Schedule-V of the listing regulation as below:

**To**  
**The Board of Directors**  
**PVP Ventures Limited**

I, Prasad V. Potluri, Chairman & Managing Director and Karthikeyan Shanmugam, Chief Financial Officer of PVP Ventures Limited, to the best of our knowledge and information, and on behalf of the Company certify that:

- a. We have reviewed financial statements and the Cash flow Statement for the year ended March 31, 2021 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. During the year under reference -
  - (i) there were no significant changes in the internal control over financial reporting;
  - (ii) no significant changes in accounting policies were made; and
  - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

**For PVP Ventures Limited**

Place: Hyderabad  
Date: 11-08-2021

Sd/-  
**Prasad V. Potluri**  
Chairman & Managing Director

Sd/-  
**Karthikeyan Shanmugam**  
Chief Financial Officer

# Corporate Governance Certificate

**TO**  
**THE MEMBERS OF**  
**PVP VENTURES LIMITED**

On account of COVID – 19 Pandemic, I have not been able to carry out physical visit to the Registered Office of the Company and I have examined the records of the company shared to me electronically pertaining to the compliance of conditions of Corporate Governance by **PVP VENTURES LIMITED** ("the Company"), for the year ended on March 31, 2021, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] for the period 1st April, 2020 to 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.

In my opinion and to the best of my information and according to the explanations given to me, by the Directors, Officers and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations except for:

- *not submitting the statement relating to Related Party Transactions to stock exchanges on consolidated basis within 30 days from the date of publication of financial results for the half year ended on 31.03.2020 as required under regulation 23(9). The company submitted the same on 31.08.2020 for the financial results published on 31.07.2020..*

I 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.

Date: 25.08.2021  
Place: Hyderabad

**Signature:**

**Sd/-**  
**Name of Company Secretary:**  
**P.A.P. Murthy**  
**FCS: 926; C. P. No: 6633**  
**UDIN: F000926C000832306**

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**PVP VENTURES LIMITED**  
KRM Centre, 9th Floor, Door No. 2 Harrington Road  
Chetpet, Tamil Nadu – 600 031

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PVP VENTURES LIMITED** having CIN: L72300TN1991PLC020122 and having registered office at KRM Centre, 9th Floor, Door No. 2 Harrington Road, Chetpet, Tamil Nadu - 600 031 (hereinafter referred to as 'the Company'), provided to me by the Company electronically due to Covid-19 pandemic for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Prasad Veera Potluri	00179175	04/12/2007
2.	Mr. Narayanaswamy Seshadrikumar	00552519	19/03/2001
3.	Mr. Sohrab Chinoy Kersasp	03300321	22/03/2019
4.	Ms. Poonamallee Jayavelu Bhavani	08294839	31/07/2020
5.	Mr. Nandakumar Subburaman	00611401	07/11/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

*However it is observed that company is yet to redeem debentures as per the schedule of redemption and in this regard the Company had obtained extension of redemption period from Debenture holders till 30<sup>th</sup> September, 2021 vide their letter dated 8<sup>th</sup> July, 2021. In this background discharge of Board of Directors from implications of Section 164(2)(b) of the Companies Act, 2013, due to extension of redemption period with retrospective effect cannot be determined at this point of time.*

Signature:

Sd/-  
Name of Company Secretary:  
**P.A.P. Murthy**  
FCS: 926; C. P. No: 6633  
UDIN: F000926C000832328

Date: 25.08.2021  
Place: Hyderabad



## Annexure – 1

### AOC-1

Statement containing the salient features of the financial statements of subsidiaries

NAME*	Date of Acquisition of Subsidiary	REPORTING PERIOD	REPORTING CURRENCY	SHARE CAPITAL	RESERVES AND SURPLUS	TOTAL ASSETS	TOTAL LIABILITIES	INVESTMENTS	TURNOVER	PROFIT / (LOSS) BEFORE TAXATION		PROFIT / (LOSS) AFTER TAXATION		PD**	*** %
PCPPL	01/10/2007	31/03/2021	INR	5,000,000	164,247,600	169,426,895	179,295	100,991,524	-	-60,420	-	-60,420	-	-	100%
PMVPL	29/04/2013	31/03/2021	INR	190,000	-6,907,172	12,373,582	19,090,755	12,299,650	-	-2,430,405	-	-2,430,405	-	-	100%
PGVPL	01/12/2006	31/03/2021	INR	88,228,690	936,006,454	1,253,302,491	229,067,346	51,559,097	-	-106,299,028	-	-106,299,028	-	-	100%
NCCPPL	08/08/2006	31/03/2021	INR	12,470,000	2,518,315,451	2,531,462,702	677,251	307,873,986	-	-260,468	-	-260,468	-	-	81%
SSPL	16/01/2015	31/03/2021	INR	48,000,000	-53,558,964	-	5,558,964	-	2,941,901	-67,112,839	-	-67,112,839	-	-	100%
ARPL	23/10/2013	31/03/2021	INR	100,000	95,326,072	97,919,771	22,700	-	-	-14,000	-	-14,000	-	-	100%
PCPL	25/08/2015	31/03/2021	INR	300,000	-1,110,659	18,701	829,360	-	-	-60,420	-	-60,420	-	-	100%
PCL	25/08/2015	31/03/2021	INR	250,000,000	-2,163,225,015	337,124,453	2,250,349,468	-	-	-471,772,323	-	-471,772,323	-	-	100%
PML	25/08/2015	31/03/2021	INR	522,500,000	-411,618,880	1,172,944,220	1,062,062,100	252,676,000	143,288	-8,526,171	-	-8,526,171	-	-	49.55%
AREDPPL	02/06/2018	31/03/2021	INR	100,000	95,326,072	97,919,771	2,493,699	4,940,251	-	-2,424,924	-	-2,424,924	-	-	100%
EREPL	02/06/2018	31/03/2021	INR	100,000	78,541,670	100,265,355	21,623,685	7,900,500	-	-596,134	-	-596,134	-	-	100%

\* Name of the Subsidiary

PVP Corporate Parks Private Limited (PCPPL)

PVP Media Ventures Private Limited (PMVPL)

PVP Global Ventures Private Limited (PGVPL)

New Cyberabad City Projects Private Limited (NCCPPL)

Safetrunk Services Private Limited (SSPL)

Picturehouse Media Limited (PML)

Adobe Realtors Private Limited (ARPL)

PVP Cinema Private Limited (PCPL)

PVP Capital Limited (PCL)

Arete Real Estate Developers Private Limited (AREDPPL)

Expressions Real Estates Private Limited (EREPL)

\*\* Proposed Dividend

\* \*\* % Of Shareholding

#### Note:

- Names of Subsidiaries which are yet to commence operations-** PVP Corporate Parks Private Limited, PVP Media Ventures Private Limited, New Cyberabad City Projects Private Limited, PVP Cinema Private Limited.
- There are no Associate Companies or joint Ventures as on the date of this report.

## Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**PVP VENTURES LIMITED**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PVP VENTURES LIMITED** (herein after called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

On account of COVID – 19 Pandemic, I have not been able to carry out physical visit to the Registered Office of the Company and based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with me electronically and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the company during the period under review);**
  - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the period under review);**
  - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulations 2013; **(Not applicable to the company during the period under review);**
  - h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the period of audit);**
  - i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other Laws specifically applicable to the company include:
  - a) Transfer of Property Act, 1882
  - b) Real Estate (Regulation and Development) Act, 2016
  - c) Indian Easements Act, 1882
  - d) Registration Act, 1908

- e) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and
- f) The Land Acquisition Act, 1894

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except the following:

- a. *The Company did not submit the related party transactions on a consolidated basis as required under Regulation 23(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 31.03.2020 with the stock exchange within 30 days from the publication of financial results. The Company submitted the same on 31.08.2020 for the financial results published on 31.07.2020.*
- b. *The Company had to give prior intimation as per Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020 about the meeting of Board of Directors in which the quarterly / annual financial results were to be considered for the period ended 31.03.2020 atleast 2 days in advance excluding the date of the intimation and date of the meeting. However, the same was intimated to Stock Exchange on 29.07.2020 for the Board meeting held on 31.07.2020.*
- c. *As per Regulation 30 read with Schedule III, Part A, Para A, sub clause 7A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to stock exchange about resignation of Statutory Auditors vide resignation letter dated 20.10.2020 which was received on 05.11.2020, within 24 hours of the receipt of resignation. However, this was intimated on 11.12.2020. Further the Company has not obtained the resignation in the format as prescribed in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.*
- d. *As per Regulation 34(2)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to provide the Statement on Impact of Audit Qualifications in its Annual Report for the year ended 31<sup>st</sup> March, 2020 but the same has not been provided.*
- e. *The Company has not included part of the information in Management Discussion and Analysis Report forming part of Annual Report for the year ended 31<sup>st</sup> March, 2020 as required under Regulation 34 read with Para B of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
- f. *The Company was required to provide information as per the Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of explanatory statement to the notice of Annual General Meeting (AGM) where the Statutory Auditor is proposed to be appointed but the same has not been provided.*
- g. *The Company did not publish the details in the newspapers as per Regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 with respect to:*
  - *Notice of the Board Meeting held on 31.07.2020 in which financial results for the period ended 31.03.2020 were considered.*
  - *Financial results for the period ended 31.03.2020.*
- h. *As per Regulation 50(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give prior intimation to stock exchange at least 11 working days before the date on which the amount of interest / redemption of Non - Convertible Debentures (NCDs) is due but the same was intimated on:*
  - *22.09.2020 for 386 NCD's which was due for payment on 30.09.2020*
  - *31.10.2020 for 829 NCD's which was due for payment on 31.10.2020*
  - *19.03.2021 for 386 NCD's which was due for payment on 31.03.2021*
- i. *As per Regulation 52(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit a certificate to stock exchange obtained from debenture trustee within 7 working days from the submission of Half year financial results but the same was submitted on 31.12.2020 for the half year ended 30.09.2020, results of which were published on 06.11.2020.*
- j. *As per Regulation 55 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to obtain a review of credit rating with respect to NCD's. However the same was not obtained during the review period.*
- k. *The Company did not obtain a certificate for maintenance of 100% asset cover as required under Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended*
  - *31.03.2020 from a Practising Chartered Accountant/ Practising Company Secretary*
  - *30.09.2020 from the Statutory Auditor*

- l. *As per Regulation 57(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to submit a certificate to the stock exchange that it has made timely payment of interest / principle within 2 days of amount becoming due, but the company has submitted the same on :*
  - 05.01.2021 for 386 NCDs for the payments due on 31.12.2020
  - 04.05.2020 for 829 NCDs for the payments due on 30.04.2020

*Also the company has not made any intimation w.r.t. payments for the 829 NCD's due on 31.07.2020 and 31.01.2021.*
- m. *As per Regulation 60 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to give intimation to the stock exchange about the record date at least 7 working days in advance (excluding the date of intimation and the record date). However, the Company intimated the same to stock exchange on:*
  - 15.04.2020 for 829 NCDs for the record date 20.04.2020
  - 12.06.2020 for 386 NCDs for the record date 22.06.2020
  - 13.07.2020 for 829 NCDs for the record date 22.07.2020
  - 22.09.2020 for 386 NCDs for the record date 29.09.2020
  - 31.10.2020 for 829 NCDs for the record date 30.10.2020
  - 19.03.2021 for 386 NCDs for the record date 30.03.2021
- n. *As per regulation 74(5) of SEBI (Depository Participants), Regulations 2018 the Company was required to file the certificate issued by RTA with the Stock Exchanges. However the Company has not filed the same for the quarter ended 31.03.2020.*
- o. *As per Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with Schedule B the Company did not intimate to stock exchanges the details of closure of trading window for the quarter ended 31.03.2020 and for the quarter ended 31.12.2020 the intimation was made on 06.01.2021.*
- p. *The Company did not file the annual disclosure with regard to entity identified as a Large Corporate as per Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 to the stock exchanges within prescribed / extended timelines. The Company filed the same on 08.07.2020.*

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that:**

- The Company had mortgaged its land situated at Perambur as a security and also given corporate guarantee to bank for the borrowings made by PVP Capital Limited (i.e. step down subsidiary). PVP Capital Limited (PVPCL) has not adhered to repayment schedule of principal and interest dues to bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT). Further the bank has initiated SARFAESI proceedings and has taken symbolic possession of secured, immovable property of the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice. Further I am informed that PVPCL has applied for One Time Settlement to the bank. As per the information and clarification provided to me negotiations are under way with bankers in respect of this proposed One Time Settlement.
- The Company had made an application to SEBI under Regulation 102 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 19.03.2019 to "relax strict enforcement of the regulations" for non-compliance with Regulation 17(1) and Regulation 19(1) and (2) of said regulations and SEBI vide letter dated 26.04.2019 rejected company's application. Further it is also observed that due to non-payment of fines as levied by the stock exchanges trading in the securities of the company is suspended pursuant to the provisions of SEBI SOP circular dated May 3, 2018. The Company has filed an appeal before Securities Appellate Tribunal (SAT), Mumbai against the order dated 31.10.2018 and 31.01.2019 passed by BSE Limited and orders dated 29.11.2018 and 31.01.2019 passed by National Stock Exchange of India Limited and in this regard SAT passed its judgment that they do not find any merit in the appeal and dismissed it vide their order dated 17.03.2021.

As informed to us the Company made payment of penalty imposed by both the stock exchanges and filed an application for revocation of suspension of trading and thereafter BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) has revoked the suspension of trading in securities of the Company by their letter dated 14<sup>th</sup> July, 2021 and trading was resumed w.e.f 22<sup>nd</sup> July, 2021.

- The Company has received a demand notice from SEBI under section 28A of SEBI Act, 1992 read with Section 222 of the Income Tax Act, 1961 dated 26.10.2018 for recovery of Rs. 21,46,534 vide certificate no. 1771 of 2018. Further vide attachment proceeding

No. 4105 of 2018 dated 19.11.2018 company received a notice for attachment of demat accounts held by the company wherein debit freeze was ordered. Later, on 07.12.2018 company has made full payment as sought under demand notice along with interest upto 31.12.2018 subject to appeal pending before Securities Appellate Tribunal (SAT) for determination of interest imposed on the company. SAT, dismissed the company's appeal on interest in Apr'19 and the Company has obtained stay on recovery of Interest on Penalty from the Hon. Supreme Court on 12<sup>th</sup> Jul 2019 and the matter is sub-judice and as informed to me there are no further developments in this regard.

- It is observed that company is yet to redeem debentures as per the schedule of redemption and in this regard the Company has obtained extension of redemption period from Debenture holders till 30<sup>th</sup> September, 2021 vide their letter dated 8<sup>th</sup> July, 2021. In this background discharge of Board of Directors from implications of Section 164(2)(b) of the Companies Act, 2013, due to extension of redemption period with retrospective effect cannot be determined at this point of time.
- Company had received Show Cause Notice dated 31<sup>st</sup> July, 2019 under Section 203 read with Section 448 of the Companies Act, 2013 from the Registrar of Companies, Chennai (ROC) for mis-representation w.r.t disclosures of Key Managerial Personnel in the Balance sheet for the years ended 31.03.2015 and 31.03.2016. The company vide their letter dated 19<sup>th</sup> August, 2019 submitted clarifications on the same and as informed to me by the company there is no further communication from ROC in this regard.

**Signature:**

**Sd/-**

**Name of Company Secretary:**

**P.A.P. Murthy**

**FCS: 926; C. P. No: 6633**

**UDIN: F000926C000832231**

Date: 25.08.2021

Place: Hyderabad

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

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### ***'Annexure A'***

To,

The Members,

**PVP VENTURES LIMITED**

My report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

**Signature:**

**Sd/-**

**Name of Company Secretary:**

**P.A.P. Murthy**

**FCS: 926; C. P. No: 6633**

**UDIN: F000926C000832231**

Date: 25.08.2021

Place: Hyderabad

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**New Cyberabad City Projects Private Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **New Cyberabad City Projects Private Limited** (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

On account of COVID – 19 Pandemic, I have not been able to carry out physical visit to the Registered Office of the Company and based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company which were shared with me electronically and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the period of audit);**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the period of audit)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- **(Not applicable to the Company during the period of audit);**
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- **(Not applicable to the Company during the period of audit);**
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **(Not applicable to the Company during the period of audit);**
  - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable to the listed entity during the period under review);**
  - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the listed entity during the period under review);**
  - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the period of audit);**
  - g) Securities and Exchange Board of India (Issue and Listing of Non Convertible and Redeemable Preference Shares) Regulation, 2013 - **(Not applicable to the listed entity during the period under review);**
  - h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the period of audit);**
  - i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - **(Not applicable to the Company during the period of audit);**
  - j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **(Not applicable to the Company during the period of audit);**
  - k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 - **(Not applicable to the Company during the period of audit).**

(vi) Other Laws specifically applicable to the company include:

- a) Transfer of Property Act, 1882
- b) Real Estate (Regulation and Development) Act, 2016
- c) Indian Easements Act, 1882
- d) Registration Act, 1908
- e) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and
- f) The Land Acquisition Act, 1894

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013
- (ii) The Listing Agreements entered into by the company with Stock Exchange(s) - **(Not applicable to the Company during the period of audit).**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as under:

- The company yet to file form MGT-14 for approval of accounts and directors report for the financial year ending 31.03.2020.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that:**

- The Enforcement Directorate had provisionally attached the land at Nadergul, Ranga Reddy District admeasuring 28 Acres and 8 Guntas of the Company in connection with the redemption of the investments in M/s. Mahalakshmi Energy Ventures Private Limited by its fellow subsidiary Company. The said attachment order has been confirmed by the Adjudicating Authority of the Enforcement Directorate. The Fellow Subsidiary Company – PVP Global Ventures Private Limited has already filed an appeal against the said Order before Appellate Authority, Delhi. As informed to me there is no further development in this regard.
- During the course of legal case against SEBI's penalty order for Insider Trading, the fellow subsidiary, PVP Global Ventures Private Limited (hereinafter referred to as "PVP Global") has provided the Company's land parcel aggregating to 53 acres 30 guntas as security deposit to SEBI. SEBI has issued E-auction / sale notice dated 19.04.2021 towards recovery of amount covered by recovery certificates Nos. 1770/2018 & 1772/2018. In this regards as informed to me PVP Global has filed writ petition vide petition no. 10936/2021 before Hon'ble High Court of State of Telangana, Hyderabad and the Hon'ble High Court vide its order dated 26.04.2021 permitted PVP Global for payment of penalty in the form of equitable instalments of Rs. 85,00,000 per month from 01.04.2021 onwards for a period of eighteen months and also directed that, in case of default in payment for any one month, it is open for SEBI to proceed with auction and subject to above condition the impugned auction notice dated 19.04.2021 was set aside.

Signature:

Sd/-  
Name of Company Secretary:  
**P.A.P. Murthy**  
FCS: 926; C. P. No: 6633  
UDIN: F000926C000858871

Date: 30.08.2021  
Place: Hyderabad

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## ***'Annexure A'***

To,  
The Members,  
**New Cyberabad City Projects Private Limited**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

Signature:

Sd/-  
Name of Company Secretary:  
**P.A.P. Murthy**  
FCS: 926; C. P. No: 6633  
UDIN: F000926C000858871

Date: 30.08.2021  
Place: Hyderabad



## ANNEXURE – 3

### ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.**

This Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Company believes in *looking beyond business* and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as whole. The Management understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company's responsibilities towards the community.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which the company operates.

The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014.

The CSR Policy and the activities undertaken for CSR is available on the Company's website [www.pvpglobal.com](http://www.pvpglobal.com)

2. **The Composition of the CSR Committee.**

Corporate Social Responsibility Committee	
Mr. N. S. Kumar	Chairman
Mr. Sohrab Chinoy	Member
Mr. Prasad V. Potluri	Member

3. **Computations:**

Sl. No	Particulars	31.03.2021
1	Average Net Profits of the Company for last 3 financial years	-
2	Prescribed CSR Expenditure in Rs (@2% on Avg Net profit of last 3 F.Y's)	-
3	Unspent Amount of the Previous years in Rs	110,19,094.68
4	Total Amount to be spent for the current financial year in Rs	-
5	Amount Spent During the Year in Rs	Nil
6	Amount Unspent ( 3+ 4- 5 )	110,19,094.68

4. **Manner in which the amount spent during the financial year is detailed below: N.A.**

Sl. No.	Particulars	
(1)	CSR project or activity identified	--
(2)	Sector in which the project is covered	--
(3)	Projects or programme (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	--
(4)	Amount outlay (budget) project or programme wise	--
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	--
(6)	Cumulative expenditure up to the reporting period	--
(7)	Amount Spent direct or through implementing agency	--

*The Company do not have any profits during the immediately preceding financial year. Hence the Company is not required to incur Corporate Social Responsibility during the year.*

*However, the Company is required to spend Rs. 36.98 Lakhs for the FY 2015-16, Rs. 10.58 Lakhs for the FY 2016-17, Rs. 22.02 Lakhs for the FY 2017-18, Rs. 18.52 Lakhs for the FY 2018-19 and Rs. 22.09 Lakhs for the FY 2019-20, the same will be expended in future years as the Company could not generate this sufficient revenue. The Company Secretary of the Company apprised the management on the penal provisions under Section 135(7), the management has stated that, the amount unspent will be spent in the coming year or transferred to fund specified in Schedule VII of Section 135 of Companies Act, 2013.*

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – **Reason mentioned in the Boards' Report.**
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Place: Chennai  
Date: 11.08.2021

Sd/-  
**Prasad V. Potluri**  
Chairman & Managing Director

Sd/-  
**NS Kumar**  
Chairman of the Committee

## Annexure - 4

### Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014

- Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2020-21, the percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the financial year 2019-20.

SL. No	NAME OF THE DIRECTOR/KMP	DESIGNATION	RATIO OF REMUNERATION OF EACH DIRECTOR TO MEDIAN REMUNERATION OF EMPLOYEES	% INCREASE IN REMUNERATION
1	Mr. Prasad V. Potluri	Chairman and Managing Director	0	0.00
2	Mr. Karthikeyan Shanmugam	KMP (CFO)	Not applicable	0.00
3	Mrs. Ramyanka Yadav. K	KMP (Company Secretary)	Not applicable	0.00

- The percentage decrease in Median Remuneration of employees of the Company for the FY 2020-21 is 53.50%.
- The Company has 14 permanent employees on the rolls of the Company as on March 31, 2021.
- Due to COVID-19 there was a cut in the remuneration paid to employees at 40% for a period of 6months i.e., from July, 2020.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy.

### Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Top 10 employees of the Company based on Remuneration drawn for FY 2020-21:

Sl. No.	Name of the Employee	Age	Designation	Educational qualification	Date of Joining	Gross Remuneration paid
1	S. Karthikeyan	51	Chief Financial Officer	C.A	06-11-2020	4500000
2	Dileep Badey	38	Senior Manager-Projects	BE Civil, PGDACC	04-08-2011	16,99,056
3	B. Rama Krishna	31	Project Manager	Diploma	26-12-2020	1080000
4	K. Ramyanka	32	Company Secretary & Compliance Officer	B. Com, CS	30-04-1988	999996
5	S. Narayanan	40	Sr. Project Manager	B.E	17-06-2013	890100
6	Abhay Paramal Singh	27	GM – Operations	B.SC (H&HA)	07-01-2021	800004
7	Murugan S	30	Asst. Manager F & A	M.B.A	01-02-2021	600000
8	Gopi Raj	36	Asst. Manager Projects	B.E	07-03-2012	406188
9	D.Abhilash	27	Executive Accounts	M.B.A	04-01-2021	300000
10	Gurumoorthy	32	Executive Accounts	Under Graduate	25-07-2012	227076

- There are no employees who were in receipt of remuneration in excess of Rs. 1 crore and 2 lakhs who were employed throughout the financial year.
- There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of Rs. 8,50,000 per month.

# Standalone Financial Section

## Independent Auditor's Report

To the Members of PVP Ventures Limited

Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the standalone financial statements of **PVP Ventures Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matter described in Basis of Qualified Opinion paragraph below*, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2021, and its loss including other comprehensive income, its changes in equity and cash flows for the year ended on that date.

### Basis for Qualified Opinion

1. *Attention is invited to note no. 34 of standalone financial statements, in relation to investment in equity shares including deemed investment in three subsidiaries. The carrying value is Rs. 58,098.85 lakhs. This is after provision of Rs. 35,160.16 lakhs for diminution in value. The Board is of the view that considering the market value of the assets and expected cash flows in future from the business of these subsidiary companies the provision for diminution already made is adequate. However, considering erosion in the net worth of the subsidiary companies and their dependence on the holding company to continue as a going concern, absence of cash inflow, delay in commencement of projects and other related factors indicate the existence of material uncertainty in the ability of the company to make progress.*

*Therefore, we are of the view that the carrying amounts of the investments (including deemed investment) shall be restated for their realisability by making additional provision taking cognizance of erosion in the net worth of the investee/loanee companies and also taking into consideration their inability to continue as a going concern. However, it is difficult to measure the extent of further diminution and fair value. The provision short made on this score is also not ascertainable.*

2. *The Company has mortgaged its land situated at Perambur, Chennai as a security and also furnished corporate guarantee to a bank for the borrowings made by PVP Capital Limited, Chennai (i.e., wholly owned step-down subsidiary company) amounting to Rs. 10,000 lakhs. The outstanding amount as per the books of accounts as on March 31, 2021 including interest due is Rs 20,012.67 lakhs. The loanee i.e., PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the lender bank has taken possession of mortgaged lands and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee, but there were no bidders. We were informed by the Board that the subsidiary viz. PVP Capital Limited is in negotiation with the said bank for one time settlement (OTS). The Board of PVP Ventures Ltd also asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. But, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. Under these circumstances, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the loanee has already defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company in case the corporate guarantee is invoked. Accordingly, the company should have considered carrying value of the said asset and / or guarantee furnished as an obligation as per Ind AS 109 while preparing the financial statements.*

*On the basis of above facts, the loss for the year ended March 31, 2021 is understated to this extent. However, it is difficult to measure the extent of understatement of loss in the circumstances obtaining. (Refer Note No. 46(ii)(a))*

*In addition to the above, we invite attention to point no. (f) under report on other Legal and Regulatory requirements*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

## Material uncertainty related to Going Concern

Attention is invited to note no.32 & 33 to the standalone financial statements, which indicates that the company's current liabilities exceeded its current assets and the company was unable to honour its obligation towards repayment of principal and interest to its debenture holders and non-current investments are to be impaired significantly. Further, the impact of outbreak of Coronavirus (COVID-19) on the business operations especially considering the prevalent situation in real estate sector in which the company has significant exposure and along with the other matters as stated in said note, indicates that there exists a material uncertainty that may cast doubt on the company's ability to continue as a going concern.

Our audit opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our Report.

### Contingent Liabilities in relation to Tax Litigations and Other Statutory Litigations

Key Audit Matter	Auditor's Response
<p>The Company has received demand relating to direct tax matters pertaining to various assessment years from Income Tax Department. The company is contesting these demands (refer note no. 39 to the standalone financial statements).</p> <p>There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported loss and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Understanding the current status of the litigations/tax assessments and demands from the Income Tax department.</li><li>• Examining recent orders and/or communication received from the said department and follow up action thereon.</li><li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and</li><li>• Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li></ul>

As a result of above audit procedures, no material difference was noted. We confirm the adequacy of disclosures made in the financial statements.

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the standalone financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and the estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter:**

Corresponding figures for the year ended March 31, 2020, included in the financial statements are based on audit by our predecessor, who have expressed modified opinion vide their report dated July 31, 2020. We have accepted those figures and reports, by verifying relevant records of the company for the purpose of our opinion on this statement.

Our conclusion is not modified in respect of the said matter for the purpose of our opinion on the statement.

### **Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the **"Annexure A"** statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, 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 those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraphs above*, in our opinion, aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
- f) *Attention is invited to note nos. 31(a) & 31(b) to the standalone financial statements, regarding section 164(2)(b) of the Act, which explains the Board's view regarding defaults committed in redeeming the debentures and repayment of interest as per the schedule of redemption / payment.*

*Though the Board has obtained an extension till 30<sup>th</sup> June, 2021 from the debenture holder vide letter dated 08<sup>th</sup> February 2021 to pay the outstanding (covering all the defaults happened up to 31<sup>st</sup> March, 2020) and is of the opinion that as extension of time has been obtained from the debenture holder there is no delay as regards repayment of debenture and interest thereon. However, we do not agree with the Board's view.*

- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.
- h) With respect to the adequacy of the Internal financial control over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- i) In accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, during the year, the company has not paid remuneration to the directors in accordance with the provisions of section 197 of the Companies Act, 2013. Therefore, remuneration paid to the directors over and above the limits laid down under this section doesn't arise.
- j) With respect to the other matters to be included Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer note no.39 to the Standalone Financial Statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and;
  - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the Standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these Standalone Ind AS financial statements since they do not pertain to the financial year ended March 31, 2021.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.0042075

**Sd/-**  
**Venkatasubramanian. S**  
Partner  
Membership Number: 219238  
UDIN: 21219238AAAAEG8316

Place: Chennai  
Date : June 22, 2021



## Annexure - A to the Independent Auditors' Report

Referred to in Clause 1 of "Report on Other Legal and Regulatory Requirements" Paragraph of the Independent Auditors' Report of even date the members of "PVP Ventures Limited" on the Standalone Ind AS Financial Statements as of and for the year ended 31st March 2021.

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties that are held in the name of the company other than land held as inventory (see point no. (ii) below).
- (ii) In our opinion and according to the information and explanations given to us, having regard to nature of inventory i.e Land, the physical verification of title deeds, reconciliations with survey numbers of stock in hand and certification of extent of land sold by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The company has granted unsecured, INTEREST FREE advance to four subsidiaries, covered in the register-maintained u/s 189 of the Act. The company has treated it as deemed investment made as prescribed under Ind AS. (Total advance granted and outstanding as at March 31, 2021 is Rs. 60,093.60 lakhs). The terms of repayment of principal are not stipulated.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted, investments made, guarantees furnished and securities given, wherever applicable.
- (v) The Company has not accepted any deposit from the public during the year. Therefore, the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) Maintenance of cost records specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the company.
- (vii) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax (Including Tax Deducted at Source), Duty of Customs, Goods and Services Tax, Cess and other statutory dues with the appropriate authorities wherever applicable.

Undisputed amounts payable in respect thereof, which were outstanding at the year- end for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the amount relates
The Tamilnadu Urban Land Ceiling and Regulation Act, 1978	Urban Land Tax	30.46	June 2017 to September, 2020
The Income Tax Act, 1961	Income Tax*	213.35	Financial Year 2016-17
The Income Tax Act, 1961	Interest on Income Tax	97.07	Financial Year 2016-17

\*Amount payable after setting off the TDS receivable and available MAT Credit.

- (b) According to the information and explanations given to us, the details of dues of Income tax which is not deposited on account of any dispute as on 31st March, 2021 are given below: -

(Rs. in lakhs)

Nature of Statute	Nature of Dues	Tax Amount Disputed	Period to which Amount Relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	13.24	Assessment Year 2009-10	Income Tax Appellate Tribunal, Chennai
The Income Tax Act, 1961	Income Tax	493.43	Assessment Year 2013-14	Commissioner of Income-Tax (Appeals), Chennai
The Income Tax Act, 1961	Penalty	1,276.58	Assessment Year 2008-09	Commissioner of Income-Tax (Appeals), Chennai
The Income Tax Act, 1961	Income Tax (Including interest)	48.52	Assessment Year 2016-17	Centralized Processing Centre / Assessing Officer

- (viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank and government as on reporting date except to the debenture holders as follows:

(Rs. in Lakhs)

Name of the Debenture	Due Date*	Principal	Interest	Total Amount
NCD Tranche A	30-06-2019	-	18.68	18.68
NCD Tranche A	30-09-2019	213.50	162.82	376.32
NCD Tranche A	31-12-2019	241.25	164.31	405.56
NCD Tranche A	31-03-2020	241.25	155.49	396.74
NCD Tranche A	30-06-2020	241.25	152.15	393.40
NCD Tranche A	30-09-2020	241.25	135.64	376.89
NCD Tranche A	31-12-2020	241.25	126.81	368.06
NCD Tranche A	31-03-2021	241.25	118.53	359.78
NCD Tranche B	30-04-2019	518.13	1,108.12	1,626.24
NCD Tranche B	31-07-2019	518.13	376.11	894.24
NCD Tranche B	31-10-2019	518.13	376.12	894.25
NCD Tranche B	31-01-2020	518.13	376.11	894.24
NCD Tranche B	30-04-2020	518.13	372.03	890.16
NCD Tranche B	31-07-2020	518.13	376.11	894.24
NCD Tranche B	31-10-2020	518.13	376.11	894.24
NCD Tranche B	31-01-2021	518.13	376.11	894.24
FCD Debenture Holder	15-12-2017	-	517.43	517.43
FCD Debenture Holder	15-06-2018	-	360.51	360.51
FCD Debenture Holder	15-12-2018	-	364.49	364.49
FCD Debenture Holder	15-06-2019	-	360.51	360.51
FCD Debenture Holder	15-12-2019	-	364.49	364.49
FCD Debenture Holder	15-06-2020	-	362.50	362.50
FCD Debenture Holder	31-12-2020	-	364.49	364.49

\*Debenture holder vide letter dated 8<sup>th</sup> February, 2021, has granted time till 30<sup>th</sup> June, 2021 to pay the outstanding amount.

Also refer note no.31 (a) and (b) to the standalone financial statements.

- (ix) During the year, the company has not raised monies by way of initial public offer or further public offer (including debt instruments). The term loans availed by the company have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The company has not paid any managerial remuneration as per section 197 of the Companies Act, 2013. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company for the year under audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the provisions of Clause (xii) of Paragraph 3 of the Order are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of Clause (xiv) of Paragraph 3 of the Order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Companies Act 2013. Therefore, the provisions of Clause (xv) of Paragraph 3 of the Order are not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of Clause (xvi) of Paragraph 3 of the Companies (Auditors Report) Order 2016 are not applicable to the company.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.0042075

**Sd/-**  
**Venkatasubramanian. S**  
Partner

Place: Chennai  
Date : June 22, 2021

Membership Number: 219238  
UDIN: 21219238AAAAEG8316



# Annexure B to the Independent Auditor's Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PVP Ventures Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the company's internal financial controls system over financial reporting.*

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March, 2021:

- a. The company's internal financial controls in respect of supervisory and review controls over process of determining of (i) carrying value of the company's non current investments in its subsidiaries and (ii) recoverability of loans to its subsidiaries included under non-current investments. Absences of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in the carrying value of investments in such subsidiaries and the aforesaid dues from such subsidiaries and consequently, could also impact the profit (financial performance including other comprehensive income) after tax.

- b. Assessment of expected cash shortfall and resultant loss allowance that may be required in respect of invocation of corporate guarantee as well as invocation of collateral on land furnished to the lender of a subsidiary, where the subsidiary is not in a position to serve the interest and principal.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, *except for the possible effects of the material weaknesses described above* on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weaknesses identified and reported in the Qualified Opinion paragraph in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the company for the year ended 31st March, 2021 and material weaknesses do not affect our opinion on the financial statements of the company.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.004207S

**Sd/-**  
**Venkatasubramanian. S**  
Partner  
Membership Number: 219238  
UDIN: 21219238AAAAEG8316

Place: Chennai  
Date : June 22, 2021

# STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	4.a	300.12	228.11
(b) Other Intangible assets	4.b	0.02	0.07
(c) Financial Assets			
(i) Investments	5	81,547.96	82,412.18
(ii) Loans	6	23.73	27.86
(d) Deferred tax assets (Net)		941.74	941.74
(e) Other non current assets	7	153.97	226.56
<b>Total Non Current Assets</b>		<b>82,967.54</b>	<b>83,836.52</b>
<b>(2) Current assets</b>			
(a) Inventories	8	6,503.08	6,602.58
(b) Financial Assets			
(i) Trade receivables	9	153.61	129.21
(ii) Cash and cash equivalents	10	375.53	25.96
(iii) Loans	11	1.19	4.36
(iv) Other financial assets	12	211.99	234.51
(c) Other current assets	13	8.02	4.38
<b>Total Current Assets</b>		<b>7,253.42</b>	<b>7,001.00</b>
<b>Total Assets</b>		<b>90,220.96</b>	<b>90,837.51</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>A EQUITY</b>			
(a) Equity Share Capital	14 A	24,505.27	24,505.27
(b) Other Equity	14 B	33,818.58	35,289.58
<b>Total Equity</b>		<b>58,323.85</b>	<b>59,794.85</b>
<b>B LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	7,094.48	10,152.07
(ii) Other financial liabilities	16	147.30	5.80
(b) Provisions	17	13.29	15.84
(c) Other non current liabilities	18	3,954.74	4,220.58
<b>Total Non Current Liabilities</b>		<b>11,209.81</b>	<b>14,394.29</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,490.46	1,442.98
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	20		
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		45.50	80.45
(iii) Other financial liabilities	21	16,836.44	11,776.34
(b) Other current liabilities	22	2,074.44	3,009.87
(c) Provisions	23	240.46	338.73
<b>Total Current Liabilities</b>		<b>20,687.30</b>	<b>16,648.37</b>
<b>Total Equity and Liabilities</b>		<b>90,220.96</b>	<b>90,837.51</b>

Summary of Significant Accounting Policies

2

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner  
Membership No. 219238

Place : Chennai  
Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai  
Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars		Note	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
I.	Revenue from Operations	24	1,753.10	2,900.45
II.	Other Income	25	52.08	28.05
III.	<b>Total Income (I+II)</b>		<b>1,805.18</b>	<b>2,928.50</b>
IV.	<b>Expenses :</b>			
	Change in inventories of Stock-in-Trade	26	99.50	149.93
	Employee Benefits Expenses	27	133.46	156.26
	Finance Costs	28	2,781.08	2,918.04
	Depreciation and Amortisation	4.a & 4.b	70.89	86.83
	Other Expenses	29	195.63	528.75
	<b>Total Expenses</b>		<b>3,280.56</b>	<b>3,839.81</b>
V.	Profit Before Tax and Exception items (III-IV)		<b>(1,475.38)</b>	<b>(911.31)</b>
VI.	Exceptional Items		-	-
VII.	<b>Profit/ (Loss) Before Tax (V+VI)</b>		<b>(1,475.38)</b>	<b>(911.31)</b>
VIII.	<b>Tax Expenses</b>			
	Current Tax		-	269.88
	Deferred Tax Asset/(Liability)		-	-
	Income Tax for Earlier Years		-	0.17
	<b>Total Tax Expenses</b>		<b>-</b>	<b>270.05</b>
IX.	<b>Profit / (Loss) for the Period (VII -VII)</b>		<b>(1,475.38)</b>	<b>(1,181.36)</b>
X.	<b>Other Comprehensive income,</b>			
A.	Item that will not be reclassified to profit or Loss			
	Remeasurement of defined benefit obligation		4.38	2.24
	Less: Income tax relating to item that will not be reclassified to profit / (loss)		-	-
B.	Items that will be reclassified to profit or loss		-	-
	<b>Other Comprehensive income for the year</b>		<b>4.38</b>	<b>2.24</b>
XI.	<b>Total Comprehensive income for the year (IX+X)</b>		<b>(1,471.00)</b>	<b>(1,179.12)</b>
XII.	<b>Earnings per equity share of nominal value of Rs.10 each</b>			
	Basic and Diluted (In Rs.)		(0.60)	(0.48)

Summary of Significant Accounting Policies

2

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

	Particulars			For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Profit / (Loss) before Tax			<b>(1,475.38)</b>	<b>(911.31)</b>
	<b>Adjustments for:</b>				
	Depreciation and Amortization			70.89	86.83
	(Profit) / Loss on Sale of asset			-	2.60
	Provision for Employee Benefits			(19.89)	(2.28)
	Loss on sale of Investment in subsidiary			-	3.24
	Provision for diminution in value of Investments			-	3.38
	Interest provided on Income tax Dues			-	22.29
	Interest Income			(25.04)	(23.81)
	Expenses Written Back			-	(3.54)
	Assets Writtenoff			-	0.04
	Provision for Doubtful Advances			-	35.00
	Baddebts Written Off			-	70.00
	Interest Expenses			2,780.01	2,883.62
	<b>Cash Generated Before Working Capital Changes</b>			<b>1,330.59</b>	<b>2,166.06</b>
	<b>Movement In Working Capital</b>				
	Increase / (Decrease) in Trade Payables			(34.95)	42.12
	Increase / (Decrease) in Other Financial Liabilities			(11.38)	(0.04)
	Increase / (Decrease) in Other Liabilities			(1,201.27)	(1,817.55)
	(Increase) / Decrease in Trade Receivables			(24.40)	14.63
	(Increase) / Decrease in Loans			3.17	(0.93)
	(Increase) / Decrease in Inventories			99.50	98.48
	(Increase) / Decrease in Other Financial Assets			3.83	60.40
	(Increase) / Decrease in Other Assets			(3.62)	1.27
	<b>Cash Generated From Operations</b>			<b>161.47</b>	<b>564.46</b>
	Direct Taxes Paid			(3.96)	(2.13)
	<b>Net Cash Flow From / (Used in) Operating Activities</b>		<b>(A)</b>	<b>157.51</b>	<b>562.33</b>
<b>B.</b>	<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>				
	Purchase of PPE, Intangible Assets and Investment Property			(2.49)	(3.30)
	Proceeds from the Sale of Investments			947.59	0.28
	Investments/advances to subsidiaries			(83.35)	(339.60)
	Interest Income Received			44.71	2.14
	<b>Net Cash Flow From / (Used in) Investing Activities</b>		<b>(B)</b>	<b>906.46</b>	<b>(340.48)</b>

# CASH FLOW STATEMENT (Contd.)

(₹ in Lakhs)

	Particulars			For the year ended 31st March 2021	For the year ended 31st March 2020
<b>C.</b>	<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>				
	Proceeds from/(to) Short - Term Borrowings (Net)			47.48	432.78
	Repayment of Long Term Borrowings			(786.43)	(415.15)
	Payment of Lease Liabilities			(46.10)	(54.57)
	Interest Paid			70.66	(272.65)
	<b>Net Cash Flow From / (Used in) Financing Activities</b>		<b>(C)</b>	<b>(714.39)</b>	<b>(309.59)</b>
	Net Increase / (Decrease) in Cash and Cash Equivalents		<b>(A+B+C)</b>	349.58	(87.74)
	Cash and Cash Equivalents at the beginning of the year			25.96	113.70
	Cash and Cash Equivalents at the end of the year			<b>375.53</b>	<b>25.96</b>
	<b>Components of Cash and Cash Equivalents</b>				
	Cash on Hand			0.08	0.14
	Balances with Banks				
	-in Current Accounts and Deposits Accounts			375.45	25.82
	<b>Cash and cash Equivalent</b>			<b>375.53</b>	<b>25.96</b>

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

## Notes:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.

Reconciliation between the opening and closing balances in the balance sheet for financial liabilities arising from financing activities:

(Rs. in Lakhs)

Particulars	As at 01st April, 2020	Net Cash Out Flows	Non Cash Changes - Book Adjustments	As at 31st March, 2021
Long Term Borrowings	16,744.57	<b>(786.43)</b>	-	15,958.14
Short Term Borrowings	1,442.98	<b>47.48</b>	-	1,490.46
Other Financial Liabilities	5,088.93	<b>70.66</b>	2,754.87	7,914.46
<b>Total Financial Liabilities</b>	<b>23,276.48</b>	<b>(668.29)</b>	<b>2,754.87</b>	<b>25,363.05</b>

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

## A. Equity Share Capital

Particulars	Note No.	Amount
Balance as at 1st April, 2019	14A	24,505.27
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2020	14A	24,505.27
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2021	14A	24,505.27

## B. Other Equity (refer note no. 14B)

Particulars	Other Equity				Total
	Reserves and Surplus			Other Items of Other Comprehensive Income	
	Securities Premium	Debenture Redemption Reserve	Retained Earnings		
Balance as on 01st April, 2019	77,511.10	150.00	(41,153.48)	(10.06)	36,497.56
Changes in Equity for the Year ended March 31, 2020					
Ind As 116 Transition Amount	-	-	(28.86)	-	(28.86)
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	2.24	2.24
Profit for the period ended 31st March, 2020	-	-	(1,181.36)	-	(1,181.36)
Balance as on 31st March, 2020	77,511.10	150.00	(42,363.70)	(7.82)	35,289.58
Balance as on 01st April, 2020	77,511.10	150.00	(42,363.70)	(7.82)	35,289.58
Changes in Equity for the Year ended March 31, 2021					
Remeasurement of the net defined benefit liability/ asset , net of tax effect	-	-	-	4.38	4.38
Transfer to Reserves	-	-	(3.44)	3.44	-
Profit for the period ended 31st March, 2021	-	-	(1,475.38)	-	(1,475.38)
Balance as on 31st March, 2021	77,511.10	150.00	(43,842.52)	-	33,818.58

The description of the nature and purpose of each reserve within equity is as follows:

- Security Premium :** This represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings :** Retained Earnings represent accumulated losses of the company.
- Debenture Redemption Reserve (DRR) :** The company has issued redeemable non-convertible listed debentures. Accordingly, the companies (Share Capital and Debentures Rules, 2014 (as amended)), requires the company to create DRR out of profits of the company. During the financial year 2018-19, Debenture Redemption Reserve (DRR) amounting to Rs.150 lakhs has created out of profits available for distribution of dividend.

Item (B), Sub clause (iii), Sub-rule (7) of Rule 18 of Companies (Share Capital and Debentures) Amendment Rules, 2019 w.e.f 16.08.2019 exempts listed companies in case of Privately placed Debentures, from creation of Debenture Resemption Reserve (DRR). Accordingly, DRR is not created from the financial year 2019-20.

The accompanying notes and other explanatory information are integral part of the standalone financial statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

## 1. Corporate Information

PVP Ventures Limited ('the Company') is a public limited company incorporated and domiciled in India. The Company shares are listed on two stock exchanges in India. The registered office of the Company is located at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The Company is engaged in the business of developing urban infrastructure and investments in various ventures.

The standalone financial statements for the year ended March 31, 2021 (including comparatives) are duly adopted by the Board of Directors in the meeting held on June 22, 2021 by video conferencing for consideration and approval by the shareholders.

## 2. Significant Accounting Policies

### Basis of Preparation of Financial Statements

These financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III, unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the company operates.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in **Ind AS 1 Presentation of Financial Statements and Schedule III to the Companies Act, 2013**.

Disclosures under Ind AS are made only in respect of material items and in respect of the items that will be useful to the users of financial statements in making economic decisions.

### Current/ Non-Current Classification

An asset is classified as current when

- 1) It is expected to be realized or consumed in the Company's normal operating cycle;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be realized within twelve months after the reporting period; or
- 4) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

- 1) It is expected to be settled in the normal operating cycle of the Company;
- 2) It is held primarily for the purpose of trading;
- 3) It is expected to be settled within twelve months after the reporting period; or
- 4) The Company has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

### a. Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to statement of profit and loss so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

Class of Assets	Estimated Useful Life
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### b. Impairment of Property, Plant & Equipment:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### c. Foreign Currency Translation:

#### Initial Recognition

On initial recognition, transactions in foreign currencies entered into by the company are recorded in the functional currency (i.e., India Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

#### Measurement of foreign currency items on reporting date

Foreign currency monetary items of the company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

The Company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### Subsequent Measurement

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were the fair value measured.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

### d. Leases:

#### The company as a Lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of owner ship to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease

#### Lease-hold land:

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 116 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

### e. Inventories

Inventory constitutes land and its related development 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, development of the land and other related direct expenses.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### f. Financial Instruments

#### 1) Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### 2) Subsequent measurement

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### iii) Financial Assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

##### iv) Investment in Subsidiaries

Investments in subsidiaries are carried at cost in accordance with Ind AS 27 Separate Financial Statements. Provision for diminution in value of investments has been made wherever required.

##### v) Financial Liability

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

#### 3) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### 4) Impairment of Assets

##### Financial Assets (other than at fair value):

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### 5) Fair value of Financial Instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### **Fair value hierarchy:**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **g. Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

### **h. Revenue Recognition**

The company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

The company recognises revenue when it determines the satisfaction of performance obligations at a point of time. Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration which the company expects to receive in exchange for the services.

Revenue from dividend is recognised upon right to receive the dividend is established.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable as per the agreements.

### **i. Employee Benefits**

#### **1) Gratuity**

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required under Ind AS complaint Schedule III, to the Companies Act, 2013 the Company transfers it to retained earnings.

#### **2) Compensated Absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### 3) Other Benefit Plans

Contributions paid/payable under defined contributions plans are recognised 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.

### j. Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### 1) Current Income Tax

Current Income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### 2) Deferred Income Tax

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income tax assets are recognised for all deducted temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### k. Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### l. Earnings per Share

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### m. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax / (loss) is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### **n. Exceptional Items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **o. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Urban Infrastructure". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

### **p. Indian Accounting Standards / amendments issued but not yet effective**

The Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021 has amended the following Indian Accounting Standards (Ind AS).

- (i) Ind AS 101 – First time adoption of Indian Accounting Standards
- (ii) Ind AS 102 – Share based payment
- (iii) Ind AS 103 – Business Combinations
- (iv) Ind AS 104 – Insurance Contract
- (v) Ind AS 105 – Non-current assets held for sale and discontinued operations
- (vi) Ind AS 106 – Exploration and evaluation of Mineral Resources
- (vii) Ind AS 107 – Financial Instruments - disclosures
- (viii) Ind AS 109 – Financial Instruments
- (ix) Ind AS 111 – Joint arrangements
- (x) Ind AS 114 – Regulatory deferral accounts
- (xi) Ind AS 115 – Revenue from Contracts with Customers
- (xii) Ind AS 116 – Leases
- (xiii) Ind AS 1 – Presentation of financial statements
- (xiv) Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.
- (xv) Ind AS 12 – Income Taxes
- (xvi) Ind AS 16 – Property, plant and equipment
- (xvii) Ind AS 27 – Separate Financial Statements
- (xviii) Ind AS 28 – Investments in Associates and Joint Ventures
- (xix) Ind AS 34 – Interim Financial Reporting
- (xx) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- (xxi) Ind AS 38 – Intangible assets

The amendments to the above-mentioned standards (other than amendments relating to Ind AS 116) are prospective.

Therefore, the amendments are not applicable for the year ended March 31, 2021.

### **3. Critical accounting estimates and judgments**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Valuation of investment in/loans to subsidiaries:** The company has performed valuation for its investments in equity of certain subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investment in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans thereon. The inputs to these models are taken from observable markets where possible, but where is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.
- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.
- Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- **Revenue from Contracts with Customers:** The company has applied judgments that affect the determination of the amount and timing of revenue from contracts with customers.



# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note -4 : Property, Plant and Equipment

(₹ in Lakhs)

### (a) Tangible Assets

Particulars	Plant & Equipment	Computers & Related Assets	Furniture & Fixtures	Vehicles*	Office Equipments	Right-of-Use Building	Total
<b>Gross Block</b>							
<b>Gross Carrying value as on 1st April, 2019</b>	<b>2.98</b>	<b>22.82</b>	<b>73.43</b>	<b>250.21</b>	<b>96.97</b>	<b>-</b>	<b>446.41</b>
Additions	-	1.99	0.18	0.99	0.14	68.27	71.57
Disposals	-	-	-	(9.01)	(0.41)	-	(9.42)
<b>Gross Carrying value as on 31st March, 2020</b>	<b>2.98</b>	<b>24.81</b>	<b>73.61</b>	<b>242.19</b>	<b>96.70</b>	<b>68.27</b>	<b>508.56</b>
Additions	-	1.54	-	0.95	-	161.26	163.75
Disposals	-	-	-	-	-	(20.90)	(20.90)
<b>Gross Carrying value as on 31st March, 2021</b>	<b>2.98</b>	<b>26.35</b>	<b>73.61</b>	<b>243.14</b>	<b>96.70</b>	<b>208.63</b>	<b>651.41</b>
<b>Accumulated Depreciation</b>							
<b>Accumulated Depreciation as on 1st April, 2019</b>	<b>1.50</b>	<b>14.06</b>	<b>42.75</b>	<b>62.29</b>	<b>79.99</b>	<b>-</b>	<b>200.59</b>
<b>For the period 2019-20</b>							
Charges for the period	0.12	2.44	10.71	32.22	3.43	37.76	86.68
Disposals	-	-	-	(6.66)	(0.16)	-	(6.82)
<b>Accumulated Depreciation as on 31st March, 2020</b>	<b>1.62</b>	<b>16.50</b>	<b>53.46</b>	<b>87.85</b>	<b>83.26</b>	<b>37.76</b>	<b>280.45</b>
<b>For the period 2020-21</b>							
Charges for the period	0.12	2.63	10.69	27.56	3.28	26.56	70.84
Disposals	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on 31st March, 2021</b>	<b>1.74</b>	<b>19.13</b>	<b>64.15</b>	<b>115.41</b>	<b>86.54</b>	<b>64.32</b>	<b>351.29</b>
<b>Net Block</b>							
<b>As on 31st March, 2020</b>	<b>1.36</b>	<b>8.31</b>	<b>20.15</b>	<b>154.34</b>	<b>13.44</b>	<b>30.51</b>	<b>228.11</b>
<b>As on 31st March, 2021</b>	<b>1.24</b>	<b>7.22</b>	<b>9.46</b>	<b>127.73</b>	<b>10.16</b>	<b>144.31</b>	<b>300.12</b>

\* Vehicles include carrying value of assets amounting to Rs. 61.58 lakhs as at March 31, 2021 hypothecated with bank for vehicle loan availed. (Refer note no. 31(c))



# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note No 5 Investments (Non-Current)

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Investment in equity instruments</b>		
<b>Investment [ Cost - fully paid up ]</b>		
<b>I. Investments in Subsidiaries</b>		
<b>(i) Quoted</b>		
Picturehouse Media Limited, Chennai (PHML) *	526.06	526.06
33,21,594 (31st March, 2020 - 33,21,594) equity shares of Rs. 10 each.		
Less: Provision for diminution in value of investment	(492.84)	(492.84)
<b>(A)</b>	<b>33.22</b>	<b>33.22</b>
<b>(ii) Unquoted</b>		
(a) PVP Corporate Parks Private Limited, Chennai (PCPL)	50.00	50.00
500,000 (31st March 2020 - 500,000) equity shares of Rs.10 each		
(b) PVP Global Ventures Private Limited, Chennai (PGPL)	91,250.33	91,205.21
88,22,869 (31st March 2020 - 88,22,869) equity shares of Rs.10 each		
Less: Provision for diminution in value of investment	(35,160.16)	(35,160.16)
(c) New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)**	21,944.49	21,944.48
1,010,000 (31st March 2020 - 1,010,000) equity shares of Rs.10 each		
(d) PVP Media Ventures Private Limited, Chennai (PMPL)	864.23	863.96
19,000 (31st March 2020 - 19,000 ) equity shares of Rs.10 each		
(e) Safetrunk Services Private Limited, Chennai (SSPL)	1,144.45	1,106.50
48,00,000 (31st March 2020 - 48,00,000 ) equity shares of Rs.10 each (Refer Point III below)		
<b>(B)</b>	<b>80,093.34</b>	<b>80,009.99</b>
<b>II. Other Investments</b>		
Blasters Sports Ventures Private Limited (BSVPL)	1,421.37	2,368.94
1,42,13,660 (31st March, 2020 - 2,36,89,430) (1% Redeemable Non - convertible Cumulative unsecured debentures of Rs.10 each)		
Arsikere Solar Private Limited, Hyderabad - 100 equity shares (Last year - 100 nos) of Rs.10 each	0.01	0.01
Kadur Solar Private Limited, Hyderabad - 100 equity shares (Last year - 100 nos) of Rs.10 each	0.01	0.01
Ranibenur Solar Private Limited, Hyderabad - 100 equity shares (Last year - 100 nos) of Rs.10 each	0.01	0.01
<b>( C)</b>	<b>1,421.40</b>	<b>2,368.97</b>
<b>Total Non-Current Investments</b>	<b>81,547.96</b>	<b>82,412.18</b>
<b>(A+B+C)</b>		
Aggregate of Non Current Investments		
Aggregate amount of quoted investments	526.06	526.06
Aggregate amount of impairment of quoted investments	(492.84)	(492.84)
Aggregate amount of quoted investments - Market Value	33.22	33.22
Aggregate amount of unquoted investments	116,674.90	117,539.12
Aggregate amount of impairment in value of investments	(35,160.16)	(35,160.16)
	<b>81,547.96</b>	<b>82,412.18</b>

## Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

III. Movement in investments as at 31st March 2021	Investment as at 01st April 2020	Fair value of Interest free loan	Investment as at 31st Mar 2021
PVP Global Ventures Private Limited, Chennai (PGPL)	54,527.00	36,723.33	91,250.33
New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)	101.00	21,843.49	21,944.49
PVP Media Ventures Private Limited, Chennai (PMPL)	1.90	862.33	864.23
Safetrunk Services Private Limited, Chennai (SSPL)	480.00	664.45	1,144.45
PVP Corporate Parks Private Limited, Chennai (PCPL)	50.00	-	50.00
<b>Total</b>	<b>55,159.90</b>	<b>60,093.60</b>	<b>115,253.50</b>

III. Movement in investments as at 31st March 2020	Investment as at 01st April 2019	Fair value of Interest free loan	Investment as at 31st Mar 2020
PVP Global Ventures Private Limited, Chennai (PGPL)	54,527.00	36,678.21	91,205.21
New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)	101.00	21,843.48	21,944.48
PVP Media Ventures Private Limited, Chennai (PMPL)	1.90	862.06	863.96
Safetrunk Services Private Limited, Chennai (SSPL)	480.00	626.50	1,106.50
PVP Corporate Parks Private Limited, Chennai (PCPL)	50.00	-	50.00
<b>Total</b>	<b>55,159.90</b>	<b>60,010.25</b>	<b>115,170.15</b>

Disclosure pursuant to section 186(4) of Companies Act, 2013:

The amount was advanced to the wholly owned subsidiary to meet the expenditure related to business.

\* Company has pledged 10,00,000 equity shares of Rs.10/- each held in Picturehouse Media Limited for loan availed by a subsidiary company. During the Financial Year 2018-19, UCO Bank invoked 10,00,000 pledged shares, out of which 9,234 shares sold by bank. During the Financial Year 2019-20, further, 22,286 shares were sold by UCO Bank.

During the financial year 2020-21, the subsidiary has repaid the loan in full. The shares held by UCO Bank (9,68,480 nos) are yet to be transferred in the name of company pending receipt of documents from the Bank.

\*\* Loan granted to the subsidiary company i.e New Cyberabad City Projects Private Limited (NCCPL), has been secured by equitable mortgage on land.

### Note 6 : Loans

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured - Considered good		
Security Deposit	23.73	27.86
	<b>23.73</b>	<b>27.86</b>

### Note 7 : Other Non Current Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and Considered good		
Income tax paid under protest*	150.00	150.00
Advance Tax and Tax deducted at source	3.97	76.56
Disputed Interest Paid to SEBI	6.79	6.79
Less: Provision for Interest Paid to SEBI	(6.79)	(6.79)
	<b>153.97</b>	<b>226.56</b>

\* The company has received a favourable order from the ITAT (Income Tax Appellate Tribunal) and hence the amount is due as refund.

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 8 : Inventory

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
- Land (refer note no.30) *	6,451.63	6,551.13
- Flat	51.45	51.45
(Valued at cost or net realised value which ever is less and as certified by the Management)		
	<b>6,503.08</b>	<b>6,602.58</b>

\* Inventory includes carrying value of land amounting to Rs. 824.65 lakhs as at March 31, 2021 hypothecated with bank for credit facility availed by one of the step-down subsidiaries. (Refer note no - 31(d))

## Note 9 : Trade Receivables

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Unsecured		
- Considered good	153.61	129.21
	<b>153.61</b>	<b>129.21</b>

## Note 10 : Cash and Cash Equivalents

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance With Banks		
In Current Accounts	367.42	17.79
In Deposit Accounts	8.03	8.03
Cash on Hand	0.08	0.14
	<b>375.53</b>	<b>25.96</b>

## Note 11 : Loans

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Loans		
Unsecured - Considered good		
Staff Advances	1.19	4.36
	<b>1.19</b>	<b>4.36</b>

## Note 12 : Other Financial Assets - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured - Considered good		
Interest Accrued and Due on Fixed Deposit	0.53	0.53
Interest Accrued and due on debentures	-	22.82
Advance to Others - (Considered good, unsecured)	211.46	211.16
Advance to Others- (Credit Impaired, unsecured)	3,086.88	3,086.88
Less: Provision for Doubtful advances	(3,086.88)	(3,086.88)
	<b>211.99</b>	<b>234.51</b>

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 13 : Other Current Assets

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Current Assets		
Advances other than Capital advances		
Prepaid Expenses	8.02	3.91
Advance to Suppliers	-	0.47
	<b>8.02</b>	<b>4.38</b>

## Note No.14A : Equity Share Capital

### (a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised Share Capital</b>		
30,00,00,000 Equity Shares of Rs. 10/- each	30,000.00	30,000.00
<b>Issued, Subscribed and Paid Up</b>		
24,50,52,701 equity shares of Rs. 10/- each	24,505.27	24,505.27
	<b>24,505.27</b>	<b>24,505.27</b>

### (b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the Year:

Particulars	As at 31st March 2021	As at 31st March 2020
Number of equity shares outstanding as at the beginning of the year	245,052,701	245,052,701
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
<b>Number of equity shares outstanding as at the end of the year</b>	<b>245,052,701</b>	<b>245,052,701</b>

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

Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	No of Shares held	% of holding	No of Shares held	% of holding
Platex Limited	132,612,766	54.12	132,612,766	54.12
SOG India Opportunities I Limited,	24,505,270	10.00	24,505,270	10.00

(d) 13,409,314 equity shares of Rs.10 each fully paid-up in cash has been issued to Platex Limited upon conversion of 27,355 FCDs of Rs.100,000 each at conversion price of Rs.204 per share in terms of the Scheme of Amalgamation during the financial year 2010-11.

(e) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

(f) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2021)

(g) The company has not issued any shares under options.

## Note 14B : Other Equity

Particulars	As at 31-03-2021	As at 31-03-2020
Other Equity		
- Security Premium	77,511.10	77,511.10
- Debenture Redemption Reserve	150.00	150.00
- Retained Earnings	(43,842.52)	(42,363.70)
Other Comprehensive Income		
- Other Items of OCI	-	(7.82)
<b>Total</b>	<b>33,818.58</b>	<b>35,289.58</b>

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 15 : Borrowings (Non-current)

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(i) Secured</b>		
(a) Debentures (refer note no. 31(a)) 1,215 (last year - 1215 nos.) non-convertible redeemable debentures of Rs.10 lakhs each (listed)	10,916.00	11,684.00
(b) Term loans - from Bank (refer note no. 31(c))	42.13	60.57
<b>Unsecured (refer note no 31(b))</b>		
<b>Debentures</b>		
500 (last year - 500 nos). 14.5% Fully Convertible Debentures (FCDs) of Rs.1 lakh each.	5,000.00	5,000.00
Less: Current maturities of long term debt	(8,863.65)	(6,592.51)
	<b>7,094.48</b>	<b>10,152.07</b>

\* refer note no.31 for terms of loan and repayment schedule

## Note 16 : Other Financial Liabilities

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current		
Lease liability (refer note no.37)	147.30	5.80
	<b>147.30</b>	<b>5.80</b>

## Note 17 : Provisions

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current		
Provision for Employee Benefits Gratuity *	13.29	15.84
	<b>13.29</b>	<b>15.84</b>

## Note 18 : Other Liabilities

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current		
Security Deposit	3,954.74	4,220.58
	<b>3,954.74</b>	<b>4,220.58</b>

## Note 19 : Current

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured Borrowings - from		
- Subsidiary Company	1,009.92	1,010.02
- From Other	480.54	432.96
	<b>1,490.46</b>	<b>1,442.98</b>

- The company has availed an interest free unsecured loan from a subsidiary company which is repayable on demand.
- The company has availed unsecured loan from a related party, repayable on demand. Interest is payable at the rate of 12% p.a. on the outstanding balance. (Refer note no. 43(c))
- The company has received advances from other parties which are repayable on demand along with interest wherever applicable. In respect of one party (Others), lender company has waived interest for the financial year 2020-21.

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 20 : Trade Payables

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
for services (refer note no.36)	45.50	80.45
	<b>45.50</b>	<b>80.45</b>

## Note 21 : Other Financial Liabilities - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturity of Long Term Debt (refer note no. 15)	8,863.65	6,592.51
Interest accrued but not due Debentures	2,901.99	2,176.99
Interest accrued and due on Debentures	5,012.47	2,911.94
Employee related payables	45.14	45.29
Other expenses payable	1.62	12.85
Lease liability (refer note no.37)	11.57	36.76
	<b>16,836.44</b>	<b>11,776.34</b>

## Note 22 : Other Current Liabilities

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance received for sale of land (inventory)	2,029.30	2,901.28
Statutory Liabilities	45.14	108.59
	<b>2,074.44</b>	<b>3,009.87</b>

## Note 23 : Provisions - Current

(Rs In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee Benefits		
- Gratuity *	0.67	0.90
- Compensated Absences **	-	21.49
Provision for Income Tax (Net of Advance Tax and Tax deducted at source)	239.79	316.34
	<b>240.46</b>	<b>338.73</b>
* Movement in Provision for Employee Benefits - Gratuity		
Balance at the beginning of the year (Non-Current)	15.84	14.38
Balance at the beginning of the year (Current)	0.90	0.81
Sub-Total	16.74	15.19
Add: Provision made during the year	3.57	3.79
Less: Provision utilized / reversed during the year	6.35	2.24
<b>Balance at the end of the year</b>	<b>13.96</b>	<b>16.74</b>
<b>Non-Current</b>	<b>13.29</b>	<b>15.84</b>
<b>Current</b>	<b>0.67</b>	<b>0.90</b>
** Movement in Provision for Employee Benefits - Compensated absences		
Balance at the beginning of the year (Current)	21.49	27.56
Add: Provision made during the year		
Less: Provision utilized / reversed during the year	21.49	6.07
<b>Balance at the end of the year (Current)</b>	<b>-</b>	<b>21.49</b>

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 24 :Revenue from Operations

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income from Real Estate	1,753.10	2,900.45
	<b>1,753.10</b>	<b>2,900.45</b>

## Note 25: Other Income

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest income		
- Debentures	21.90	23.69
- Others	3.14	0.12
Sundry Creditors Written up	-	3.54
Provision for Expenses no Longer required written up	27.04	0.70
	<b>52.08</b>	<b>28.05</b>

## Note 26 : Changes in Inventory

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Balance	6,551.13	6,701.06
Add: Reversal of Land cost due to IND AS 115	-	-
Add: Current year Expenses	-	-
	6,551.13	6,701.06
Less: Closing Stock of Land	6,451.63	6,551.13
	<b>99.50</b>	<b>149.93</b>

## Note 27 : Employee Benefit Expenses

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and wages	122.56	143.17
Gratuity (refer note no- 44(a) )	3.57	3.79
Contribution to provident fund	1.04	1.14
Welfare expenses	6.29	8.16
	<b>133.46</b>	<b>156.26</b>

## Note 28 : Finance Cost

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on		
- Debentures	2,750.33	2,877.50
- Vehicle Loan	4.52	6.12
- Lease liability	25.18	11.84
- Others	1.05	22.58
	<b>2,781.08</b>	<b>2,918.04</b>

# Notes to the Standalone Financial Statements for the Year Ended 31st March 2021

## Note 29 : Other Expenses

(Rs In Lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent	0.37	-
Power and Fuel charges	7.16	10.92
Communication Expenses	5.99	6.30
Legal, Professional and consultancy Charges	31.95	86.87
Books and Periodicals	0.06	0.08
Insurance		
- For Employees	-	0.85
- For Assets	3.97	3.65
Printing and Stationery	2.20	8.96
Advertisement and Publicity	2.54	3.01
Listing Fees and Others Expenses	25.58	14.20
Security Charges	8.39	8.29
Office Expenses	16.72	24.64
Membership fee	0.29	9.52
Directors Sitting Fees	4.35	2.80
Repairs and Maintenance		
- For Others	10.80	13.85
Business Promotion Expenses	-	0.89
Rates and taxes	32.25	41.19
Payment to statutory auditors *		
- statutory audit	9.50	9.50
- tax audit	0.50	2.50
- certification charges	-	3.00
Bank Charges and Commission	0.21	0.42
Travelling Expenses and Conveyance	32.22	118.42
Provision for Diminution in value of investment	-	3.38
Loss on sale of Asset	-	2.60
Loss on sale of Investment in subsidiary	-	3.24
Miscellaneous expenses *	0.58	44.63
Assets written off	-	0.04
Bad debts written off	-	70.00
Provision for doubtful advances	-	35.00
	<b>195.63</b>	<b>528.75</b>

\* Under this head, there is no expenditure which is in excess of 1% of revenue from operations or Rs. 10 lakhs, whichever is higher



# Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

## NOTES TO ACCOUNTS

### 30. Development Agreements

The Company, being the Landowner has signed a Joint Development Agreement (JDA) on 6<sup>th</sup> April 2011 with the Developer, North Town Estates Private Limited for development of land of measuring 70 Acres (approx.) (1259.90 grounds). The company received Security deposit of Rs. 10,000 lakhs in the year 2011 against the same.

Since there was delay in execution of the "North Town" project, the Company negotiated and modified the terms and conditions of the JDA vide Amendment dated 04th May 2016 whereby the Developer released 20 acres (343.69 Grounds) of undeveloped land back to the company and the proportionate Security Deposit of Rs.3,161.13 lakhs were paid back to the developer.

Further, the company had authorised the developer to mortgage or offer as security, a share of the undivided share of land to the extent of Revenue Share of the Developer for the phases Chaitanya and Ekanta, which are being developed, without causing any prejudice to the revenue share of the Landowner.

The company entered into a Development Management Agreement (DMA) with M/s. Arihant Foundations and Housing Limited on 27th April 2017, to develop residential lay out with infrastructure and amenities for the released 20 acres land.

### 31. Terms of Loans and repayment of borrowings

#### a) Non-Convertible Debentures – Rs.10,916 Lakhs

The Shareholders had authorised to issue 1950 listed, (rated, secured), redeemable Non-Convertible Debentures (the NCDs) of Rs. 10 Lakhs each for an aggregate amount of Rs. 19,500 lakhs, out of which the company has issued Tranche A 386 Debentures aggregating to Rs. 3,860 lakhs and Tranche B of 829 Debentures aggregating to Rs. 8,290 lakhs which were, subscribed and paid up as per the debenture trust deed dated 16th June 2017, with remaining debentures unissued. Thus, out of aforesaid 1,950 Debentures of Rs. 10 lakhs each, the company allotted a total of 1,215 Debentures amounting to Rs. 12,150.00 lakhs.

The debentures and the debenture payments are secured by:

1. English mortgage of all the rights on piece and parcel of the land located at Door No.8/8D, Stephenson Road, Perambur, Chennai measuring 9.154 acres.
2. First Charge exclusive basis on all rights titles interest and benefits of the company in respect of the JDA, JDA Escrow Agreement, JDA Escrow Account and JDA Receivables excluding the outstanding security deposit.
3. A first ranking exclusive over security interest in debentures held by the company amounting to Rs.1,421.37 lakhs in Blaster Sports Ventures Private Limited.
4. Non-disposal undertaking of 100% shares of PVP Ventures Limited held by promoter group.
5. Personal Guarantee of Promoter (Mr. Prasad V Potluri).

Interest payable is 18%. The first payment is due on first anniversary and thereon payable on quarterly basis.

The debentures shall be redeemed at par value on the redemption date which payment will result in the principal amount of each debenture being reduced to zero.

The NCDs are issued for a period of 5 (Five years) from the date of issue of the NCDs. The Company shall redeem the debentures for Tranche A and Tranche B as follows:

Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in percent of paid-up value) for the Tranche A Debenture	Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in per cent of face value) for Tranche B Debentures
30 June, 2018	6.250%	30 April, 2019	6.250%
30 September, 2018	6.250%	31 July, 2019	6.250%
31 December, 2018	6.250%	31 October, 2019	6.250%
31 March, 2019	6.250%	31 January, 2020	6.250%
30 June, 2019	6.250%	30 April, 2020	6.250%
30 September, 2019	6.250%	31 July, 2020	6.250%
31 December, 2019	6.250%	31 October, 2020	6.250%
31 March, 2020	6.250%	31 January, 2021	6.250%

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in percent of paid-up value) for the Tranche A Debenture	Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in percent of face value) for Tranche B Debentures
30 June, 2020	6.250%	30 April, 2021	6.250%
30 September, 2020	6.250%	31 July, 2021	6.250%
31 December, 2020	6.250%	31 October, 2021	6.250%
31 March, 2021	6.250%	31 January, 2022	6.250%
30 June, 2021	6.250%	30 April, 2022	6.250%
30 September, 2021	6.250%	31 July, 2022	6.250%
31 December, 2021	6.250%	31 October, 2022	6.250%
31 March, 2022	6.250%	31 January, 2023	6.250%

Whereas the repayment dues of Tranche A Debentures aggregating to Rs. 2,695.43 lakhs (out of which principal amounting to Rs. 1,661.00 lakhs and Interest amounting to Rs. 1,034.43 lakhs) and Tranche B Debenture aggregating to Rs 8,123.04 lakhs (out of which principal amounting to Rs. 4,145.00 lakhs and Interest amounting to Rs. 3,978.04 lakhs) as on 31<sup>st</sup> March 2021 are still unpaid. The company has sought extension of time to repay the outstanding (both interest and principal) from time to time during the year vide letter dated February 08, 2021. The debenture holder has given time to pay the outstanding on or before June 30, 2021. The debenture holder has also stipulated that, in the case of default of payment of principal repayment within the extended due date, default additional interest of 5% per annum (over and above the coupon) is to be paid on the defaulted amount from the original due date till the date of payment.

The company has repaid a sum of Rs. 768 lakhs towards principal during the year.

The company has been advised that the tax has to be deducted at source from interest payable on debentures (payable to overseas debenture holders) only at the time of payment. Hence, no tax has been deducted at source during the year from out of interest provision made.

Under the circumstances, the company defaulted the redemption of debentures and repayment of interest which had fallen due on 30<sup>th</sup> September 2018, 31<sup>st</sup> December 2018, 31<sup>st</sup> March 2019, 30<sup>th</sup> September, 2019, 31<sup>st</sup> December 2019 and 31<sup>st</sup> March, 2020 beyond the time permitted under section 164(2)(b) of the Companies Act, 2013. However, as per the legal advice, management is of the view that even though the repayment has not been made within the period contemplated in the above referred section, the default has been ratified by the debenture holder with retrospective effect by virtue of which the management contents that the disqualification of directors as per the above provisions has not been attracted.

### b) Fully Convertible Debentures (FCD) – Rs. 5,000.00 lakhs

The Company has allotted 13,289 convertible or redeemable debentures of Rs. 1,00,000 each convertible into preference and/or equity shares as per scheme of amalgamation sanctioned by the Honourable High Court of Judicature at Madras between the Company and PVP Ventures Private Limited dated 25<sup>th</sup> April 2008.

The Debentures are convertible into redeemable preference shares and/or equity shares on or before 22<sup>nd</sup> January 2011. Each Debenture shall be converted into newly issued equity or redeemable preference shares in the share capital of the Company. As per the scheme of amalgamation sanctioned by the Honourable High Court of Judicature at Madras, the debenture holders are entitled to 65,14,215 fully paid-up equity shares. As per subscription agreement the company shall not transfer or encumber the entire shareholding in its Subsidiaries i.e., Cyberabad City Projects Private Limited (Now known as New Cyberabad City Projects Private Limited) and PVP Enterprises Limited (Now known as PVP Global Ventures Private Limited). Irrevocable and unconditional guarantee is furnished by Mr. Prasad V. Potluri (Promoter) to the debenture holder in connection with the Debentures till the Shares allotted upon conversion have been irrevocably and unconditionally repaid or discharged in full.

The Debenture holder has extended the conversion/redemption option up to the period expiring on 31<sup>st</sup> March 2029 by letter dated 4<sup>th</sup> December 2017.

The Debentures will bear interest at the rate of 14.5% per annum. Interest on Debentures is payable semi-annually in arrears on 15<sup>th</sup> June and 15<sup>th</sup> December each year. Interest shall accrue on the overdue sum at the rate of 2 % per annum over and above the Interest Rate (the Default Interest Rate) from the due date.

The company had sought time from the debenture holder to pay the outstanding interest from time to time during the year. The interest has to be paid on or before June 30, 2021 vide the latest letter dated February 08<sup>th</sup>, 2021.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Further, the debenture holder has stipulated that, in the case of default of payment of interest amount within the extended due date, default additional interest of 2% (over and above the coupon) is to be paid on the defaulted amount from the original due date to till the date of payment.

During the year, the company has accounted finance cost of Rs.725.00 lakhs and as on reporting period, the outstanding principal amounting to Rs.5,000 lakhs. Total Outstanding as on 31<sup>st</sup> March 2021 is Rs.7,901.99 lakhs.

The company has advised that the tax has to be deducted at source from interest payable on debentures (payable to overseas debenture holders) only at the time of payment. Hence no tax has been deducted at source during the year from out of interest provision made.

Under the circumstances, the company defaulted the repayment of interest which had fallen due on 15<sup>th</sup> December 2017, 15<sup>th</sup> June 2018, 15<sup>th</sup> December 2018, 15<sup>th</sup> June 2019, 15<sup>th</sup> December 2019 beyond the time permitted under section 164(2)(b) of the Companies Act, 2013. However, as per the legal advice, management is of the view that even though the repayment has not been made within the period contemplated in the above referred section, the default has been ratified by the debenture holder with retrospective effect by virtue of which the management contents that the disqualification of directors as per the above provisions has not been attracted.

### c) From Bank – Vehicle Loans

Vehicle Loans are secured by way of Hypothecation of respective vehicles and the interest varies from 8% to 10.91% p.a. and repayable in 1 to 4 years in monthly installments.

### d) From Bank – Working Capital

One of the Step-down subsidiaries (loanee) has availed Indian rupee term loan from bank amounting to Rs.10,000 lakhs and interest rate is charged at One Year MCLR + 4.80% i.e., 14.15% p.a. (Floating) which is repayable on demand. Loan is secured by a charge on the loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to the company, subsidiaries and personal guarantee of Mr. Prasad V. Potluri and Smt. Jhansi Sureddi.

As on 31st March 2021, the loanee company is overdue for a period of two years towards principal and interest amounting to Rs.20,855.38 lakhs to the bank.

## 32. COVID -19 Impact on Business Operations

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

## 33. Material Uncertainty related to Going concern

The company is unable to honour its obligations towards repayment of principal and interest dues to its debenture holders. Further the company has obligations pertaining to operations which includes unpaid creditors and statutory dues. However, the company has taken various initiatives in relation to saving cost and optimizing revenue management opportunities. Further, the company is planning to launch residential lay out with infrastructure and amenities in 20 acres of land by considering the current situation of real estate sector which resultant into improving operating performance and sustainable cash flows. The company is confident that such cash flows which contemplates realization of assets and settlement of liabilities. Accordingly, notwithstanding the dependence on these material uncertain events, the company continues to prepare the standalone financial statements on a Going Concern basis.

34. The value of investments in three subsidiaries including deemed investment in the subsidiary companies net of provisions for diminution thereon viz. Rs 35,160.16 lakhs, wherever applicable in three subsidiary companies as at March 31, 2021 amounting to Rs. 58,098.85 lakhs (last year – Rs. 58,015.51 lakhs). Considering the intrinsic value of the assets held by these companies and potential cash flows that may accrue on account of their business operations, the Board is of view that the carrying value of net investments and loans and advances does not warrant any further provision.
35. Based on the management approach, as defined in Ind AS 108, the business operations of the company is considered as single operating segment by the considering the performance as whole in the Real Estate and Allied Activities. Hence segment reporting is not applicable.
36. **Micro, Small and Medium Enterprises (MSME):** 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.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### 37. Leases

- a) Effective 01<sup>st</sup> April 2019, the company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01<sup>st</sup> April 2019 using the modified retrospective approach.

b) **Details of the Right to use of Asset held by the company as follows:**

Particulars	Building (Rs. in Lakhs)
Right to use of Asset as on commencement date i.e., 01 <sup>st</sup> April 2019	-
Addition	68.27
Deletion	-
Depreciation	(37.76)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>30.51</b>
Addition	161.26
Deletion	(20.90)
Depreciation	(26.56)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>144.31</b>

c) **Movement in Lease liability**

Particulars	Building (Rs. in Lakhs)
Lease Liability recognised as on commencement date i.e., 01 <sup>st</sup> April 2019	-
Addition	97.12
Finance Cost Accrued	11.84
Payment of Lease Liability	(66.40)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>42.56</b>
Addition	141.26
Finance Cost Accrued	25.18
Payment of Lease Liability	(50.13)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>158.87</b>

d) **Breakup of Current and Non-current lease liabilities**

Particulars	Building (Rs. in lakhs)
Current Liability	11.57
Non-Current Liability	147.30

- e) Incremental borrowing rate applied to lease liabilities is 16.25% p.a.
- f) The expenses relating to short term leases accounted and leases of low value assets during the year is **NIL**.
- g) Non cash financing and investing activities (Rs. In lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Non cash financing and investing activities - Acquisition of Right-of-use Asset	161.26	68.27

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### 38. Earnings per Share (EPS)

Particulars	Refer	Year ended 31st March, 2021	Year ended 31st March, 2020
Nominal Value of Equity Shares (Rs. per Share)	A	10	10
Weighted average number of Equity Shares outstanding during the period	B	24,50,52,701	24,50,52,701
Profit/(Loss) after Taxes After Exceptional items (Rs. in Lakhs)	C	(1,475.38)	(1,181.36)
Earnings Per Share – Basic and diluted (in Rupees)	C*100000/B	(0.60)	(0.48)

### 39. Contingent Liabilities:

(Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
1. <b>Claims against the company not acknowledged as debts</b>		
- Income Tax	1831.78	1,783.25
- Non-Compliance of SEBI Regulations	-	12.97
<b>Total</b>	<b>1831.78</b>	<b>1,796.22</b>

### 40. Corporate Social Responsibilities Expenditure (CSR)

(Rs in Lakhs)

Gross amount to be spent during the year is NIL. (Last year – NIL)

Average net profits of the Company for the last three financial years are negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year. The unspent amount of Rs 110.19 lakhs as on 31st March 2021 pertains to preceding financial years. The same will be spent by the company in future years.

### 41. Deferred Tax

Deferred tax asset has not been recognized in respect of the following items:

(Rs. in Lakhs)

Particulars	31st March 2021		31st March 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	6,279.64	1,632.71	6,306.06	1,836.32
Unabsorbed Business loss	1,538.44	399.99	-	-
Effect of expenses not allowed for tax purpose	1.04	0.27	20.04	5.84
<b>Total</b>	<b>7,819.11</b>	<b>2,032.97</b>	<b>6,326.10</b>	<b>1,842.16</b>

Considering the principles of prudence, the above deferred tax asset has not been recognized as at 31.03.2021.

### 42. Income tax Expenses

Income tax expense in the statement of profit and loss comprises:

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Current Tax	-	269.88
Deferred Tax (Asset)/Liability	-	-
Income Tax for earlier years	-	0.17
<b>Net Tax</b>	<b>-</b>	<b>270.05</b>
MAT Credit reversals / (for earlier years)	-	-
<b>Total Income tax expenses</b>	<b>-</b>	<b>270.05</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Profit/(Loss) from the operation before income tax expenditure	(1,475.38)	(911.21)
Adjustment on account of Ind AS 115	-	(601.59)
Profit/(Loss) from the operation before Income Tax expenditure as per ICDS	(1,475.38)	(1,512.80)
Applicable Income tax rate	26.00%	29.12%
Tax effect at statutory income tax rate	(429.63)	(440.53)
Effect of expenses not allowed for tax purpose	3.37	19.59
Effect of unrecognised deferred tax	426.26	814.17
Differences in tax expenses on account of different tax rates	-	(123.35)
Income tax related to earlier years	-	0.17
MAT Credit reversals / (for earlier years)	-	-
Income tax expenses charged to the statement of profit and loss	-	<b>270.05</b>

### 43. Disclosure in Accordance with Ind AS -24 Related Party Transactions

#### a) List of Related parties where control exists:

Name of the Related Party	Nature of Relationship
Platex Limited (PL)	Holding Company
PVP Global Ventures Private Limited, Chennai (PGPL)	Subsidiary Companies
New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)	
PVP Corporate Parks Private Limited, Chennai (PCPL)	
PVP Media Ventures Private limited, Chennai (PMPL)	
Safetrunk Services Private Limited, Chennai (SSPL)	
Adobe Realtors Private Limited, Hyderabad	
Arete Real Estate Developers Private Limited, Hyderabad	
Expressions Real Estates Private Limited, Hyderabad	
Picturehouse Media Limited, Chennai (PHML)	
PVP Capital Limited, Chennai (PCL)	
PVP Cinema Private Limited, Chennai	
BVR Malls Private Limited, Vijayawada	A private company in which a director's relative is a member or director.

#### b) List of other related parties

Name of the person/ company	Nature of Relationship
Mr. Prasad V.Potluri, Chairman and Managing Director	Key Managerial Persons
Mrs. Sai Padma Potluri, Executive Director (Resigned with effect from 01.06.2020)	
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from 31.07.2020)	
Mr. Nandakumar Subburaman, Independent Director	
Mrs. Jhansi Sureddi	Relative to Key Managerial Person
Bruma Properties Private Limited, Delhi (BPPL)	Enterprises where KMP exercise significant influence

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### c) Summary of transactions with the related parties during the year ended 31<sup>st</sup> March 2021

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Interest Expenses</b>		
BVR Malls Private Limited, Vijayawada	0.24	-
<b>Loans from Subsidiaries</b>		
PVP Corporate Parks Private Limited, Chennai (PCPL)		
- Borrowed during the year	-	-
- Repaid during the year	0.11	0.17
<b>Loans and advances to Subsidiaries</b>		
PVP Global Ventures Private Limited, Chennai (PGPL)		
- Granted during the year	46.05	9.00
- Repaid during the year	0.93	0.24
PVP Media Ventures Private Limited, Chennai (PMPL)		
- Granted during the year	0.27	0.11
- Repaid during the year	-	-
Safetrunk Services Private Limited, Chennai		
- Granted during the year	44.31	362.26
- Repaid during the year	6.36	31.53
<b>Sitting Fees paid to Directors</b>		
Mr. N S Kumar	1.35	1.25
Mr. Sohrab Chinoy	1.35	1.25
Mr. Nanda Kumar	0.75	0.20
Mrs. P.J. Bhavani	0.90	0.10
<b>Provision for advances</b>		
Bruma Properties Private Limited, Delhi (BPPL)	-	35.00
<b>Loans and advances granted/(received)</b>		
BVR Malls Private Limited, Vijayawada	(12.50)	-

### d) Summary of Outstanding balances with the related parties as on 31<sup>st</sup> March 2021

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Investments in subsidiaries</b>		
PVP Global Ventures Private Limited, Chennai (PGPL)	54,527.00	54,527.00
New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)	101.00	101.00
PVP Corporate Parks Private Limited, Chennai (PCPL)	50.00	50.00
PVP Media Ventures Private limited, Chennai (PMPL)	1.90	1.90
Safetrunk Services Private Limited, Chennai (SSPL)	480.00	480.00
Picturehouse Media Limited, Chennai (PHML)	526.06	526.06
<b>Provision for investment in subsidiaries</b>		
PVP Global Ventures Private Limited, Chennai (PGPL)	30,000.00	30,000.00
Picturehouse Media Limited, Chennai (PHML)	492.84	492.84
<b>Loans and advances given to subsidiary</b>		
PVP Global Ventures Private Limited, Chennai (PGPL)	36,723.33	36,678.22
PVP Media Ventures Private limited, Chennai (PMPL)	862.33	862.06
Safetrunk Services Private Limited, Chennai (SSPL)	664.45	626.50



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
New Cyberabad City Projects Private Limited, Hyderabad (NCCPPL)	21,843.49	21,843.49
<b>Provision for advances given to subsidiary</b>		
PVP Global Ventures Private Limited, Chennai (PGPL)	5,160.16	5,160.16
<b>Loans received from subsidiary</b>		
PVP Corporate Parks Private Limited, Chennai (PCPL)	1,009.92	1,010.02
<b>Advance given</b>		
Bruma Properties Private Limited, Delhi	35.00	35.00
Provision on Advances – Bruma Properties Private Limited, Delhi	35.00	35.00
BVR Malls Private Limited, Vijayawada	12.74	-
<b>Corporate Guarantees granted/(received)</b>		
PVP Capital Limited, Chennai	10,000.00	10,000.00
Safetrunk Services Private Limited, Chennai	-	35.00

### e) List of Related Parties as per Companies Act, 2013

Name of the person/ company	Nature of Relationship
Mr.T.N.Madan, Chief Financial Officer (Resigned with effect from 31.07.2020)	Key Managerial Persons
Mr. Karthikeyan Shanumugam, Chief Financial Officer (Joined with effect from 25.10.2020)	
Mrs. K Ramyanka Yadhav, Company Secretary	

### f) Remuneration paid to Key Managerial Personnel

(Rs. in Lakhs)

Transaction	Year ending 31 <sup>st</sup> March, 2021	Year ending 31 <sup>st</sup> March, 2020
Remuneration	44.66	26.09

## 44. Gratuity and other post-employment benefit plans

### a) Defined Benefit Plan - Gratuity

(Rs. in lakhs)

Gratuity	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Gratuity Plan:		
Defined benefit obligation (DBO)	13.96	16.74
Fair value of plan assets (FVA)	-	-
<b>Net defined benefit (asset)/liability</b>	<b>13.96</b>	<b>16.74</b>

The following table summarises the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31<sup>st</sup> March 2021

Particulars	2020-21	2019-20
Current Service Cost	2.43	2.62
Net Interest Cost	1.14	1.16
<b>Total Cost</b>	<b>3.57</b>	<b>3.79</b>

Amount recognised in Other Comprehensive Income for the year ended 31st March 2021

Particulars	2020-21	2019-20
Actuarial (gain)/ loss on obligations	(4.38)	(2.24)



## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

Changes in the present value of the defined benefit obligation for the year ended 31st March 2021 are as follows:

Particulars	2020-21	2019-20
<b>Opening defined obligation</b>	16.74	15.19
Current service cost	2.43	2.62
Interest cost	1.14	1.16
Actuarial (gain)/ loss – experience	-	-
Actuarial (gain)/ loss - demographic & Financial assumptions	(4.38)	(2.24)
Benefits paid	(1.97)	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation</b>	<b>13.96</b>	<b>16.74</b>

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	31-Mar-21	31-Mar-20
Discount rate (in %)	6.80%	6.80%
Salary Escalation (in %)	7.50%	7.50%

A quantitative sensitivity analysis for significant assumption as at 31<sup>st</sup> March 2021 is as shown below:

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

**A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:**

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
<b>Defined Benefit Obligation (Base)</b>	<b>13.96</b>		<b>16.74</b>	
<b>(% change compared to base due to sensitivity)</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount Rate (- / + 1%)	15.74	12.48	18.81	15.01
Salary Growth Rate (- / + 1%)	10.76	15.92	12.87	19.43
Attrition Rate (- / + 1%)	12.77	15.01	15.34	17.98
Mortality Rate (- / + 1%)	13.94	13.98	16.71	16.77

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Within the next 12 months (next annual reporting period)	3.11	3.75

### Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absences. The company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### b) Defined Contribution Plan

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The company recognised Rs. 1.04 lakhs (previous year 1.14 lakhs) for provident fund contribution in the statement of profit or loss account.

## 45. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

### Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Fair Value Measurement:		(Rs. in Lakhs)
Particulars	Amount as on 31 <sup>st</sup> March, 2021	Amount as on 31 <sup>st</sup> March, 2020
<b>Financial assets:</b>		
<b>Amortised Cost</b>		
- Cash and cash equivalents	375.53	25.96
- Trade Receivables	153.61	129.21
- Loans	24.92	32.22
- Other Financial Assets	211.99	234.51
<b>Total</b>	<b>766.05</b>	<b>421.90</b>
<b>Financial liabilities:</b>		
<b>Amortised Cost</b>		
- Borrowings	17,448.59	18,187.55
- Trade Payables	45.50	80.45
- Other Financial Liabilities	7,972.79	5,183.83
<b>Total</b>	<b>25,466.88</b>	<b>23,451.83</b>

Investment in Equity Instruments other than the investment in subsidiaries are carried at cost and hence not considered.

Management considers that all financial instruments are carried at amortized cost and the carrying value of the company's financial assets and liabilities is considered approximate to their fair value at each reporting date.

## 46. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The financial instruments affected by market risk includes investment, has been discussed below.

#### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with fixed interest rates.

Long term borrowings of the company bear fixed interest rate. Thus, interest rate risk is limited for the company.

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company does not undertake transactions denominated in foreign currencies, consequently company activities does not expose to exchange rate fluctuations arise.

### c) Equity price risk

The company's listed and non-listed equity securities are not susceptible to market price risk arising from uncertainties about future values of the investment securities. Hence the company does not bear significant exposure to Equity price risk in investment in subsidiaries.

## ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

### a. Credit risk related to corporate guarantee furnished:

The Company has mortgaged its land situated at Perambur, Chennai as a security and also furnished a corporate guarantee of Rs. 10,000 lakhs to its step-down subsidiary company, PVP Capital Limited ('PVPCL'). PVPCL has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs. 20,012.67 lakhs (including interest accrued) as per the books of accounts as on 31st March 2021. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. The Board asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by PVPCL will be met in due course.

### b. Trade Receivables

The company's credit risk with regard to trade receivables has a high degree of risk diversification, due to large number of projects of varying sizes and types with numerous different customer categories.

Customer credit risk is managed by requiring customers to pay advances through progress billings done by developer before transfer of ownership, therefore substantially eliminating the company's credit risk in respect.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit provision is required and also the company does not have any significant concentration of credit risk. As on 31<sup>st</sup> March 2021, outstanding receivables amounting to Rs 153.61 Lakhs (Previous year Rs 129.21 Lakhs).

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

## iii) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's management is responsible for liquidity, funding as well as settlement management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of Financial Liabilities:

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	Total
<b>As at 31<sup>st</sup> March 2021</b>				
Borrowings	1,490.46	8,863.65	7,094.48	17,448.59
Trade payables	-	45.50	-	45.50
Interest accrued	-	7,914.46	-	7,914.46
Other Financial Liabilities	-	58.33	-	58.33
<b>Total</b>	<b>1,490.46</b>	<b>16,881.94</b>	<b>7,094.48</b>	<b>25,466.88</b>

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	Total
<b>As at 31<sup>st</sup> March 2020</b>				
Borrowings	1,442.98	6,592.51	10,152.07	18,187.55
Trade payables	-	80.45	-	80.45
Interest accrued	-	5,088.93	-	5,088.93
Other Financial Liabilities	-	94.90	-	94.90
<b>Total</b>	<b>1,442.98</b>	<b>11,856.79</b>	<b>10,152.07</b>	<b>23,451.83</b>

The amount of guarantee furnished on behalf of subsidiary included in note no 46(c)(ii)(a) stated above represents the maximum amount the company could be forced to settle for the guaranteed amount. Based on the expectation at the end of the reporting period, the Board is of the opinion that such amount will not be payable. under the arrangement.

### 47. Capital Management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The company strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize cost of capital.

The Company monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Borrowings	17,448.59	18,187.55
Cash and Cash Equivalents	(0.08)	(0.41)
Bank Balances other than Cash and Cash Equivalents	(375.45)	(25.82)
<b>Net Debt</b>	<b>17,073.06</b>	<b>18,161.32</b>
Equity Share Capital	24,505.27	24,505.27
Other Equity	33,818.58	35,289.58
<b>Total Equity</b>	<b>58,323.85</b>	<b>59,794.85</b>
<b>Debt Equity Ratio</b>	<b>0.30</b>	<b>0.30</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

48. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year – NIL).

### 49. Amendments to Schedule III

The amendment to Schedule III vide notification no F. No. 17/62/2015-CL-V Vol – I dated March 24, 2021 issued by the Ministry of Corporate Affairs are applicable only with effect from April 01, 2021. Hence the financial statements have been prepared in accordance with the provisions that existed prior to the amendment, for the year under review.

### 50 Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

#### Disaggregated revenue information

##### A Type of goods and service

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
(a) Income from Real Estate	1,753.10	2,900.45
<b>Total Operating Revenue</b>	<b>1,753.10</b>	<b>2,900.45</b>
In India	1,753.10	2,900.45
Outside India	-	-

## Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31st March 2021

### B Timing of revenue recognition

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021		For the year ended 31 <sup>st</sup> March, 2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	1,753.10	Nil	2,900.45	Nil

### C Contract Balances

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Contract Assets	Nil	Nil
Contract Liabilities	Nil	Nil

### D Revenue recognised in relation to contract liabilities

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue recognised in relation to contract liabilities	Nil	Nil

### E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue at contracted prices	Nil	Nil
Revenue from contract with customers	Nil	Nil
Difference	Nil	Nil

### F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

### For and on behalf of the Board of Directors

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# Consolidated Financial Section

## Independent Auditor's Report

To the Members of PVP Ventures Limited

Report on the Audit of Consolidated Financial Statements

### Qualified Opinion

We have audited the Consolidated Financial Statements of **PVP Ventures Limited** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report*, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Qualified Opinion

1. *Attention is invited to note no. 36 to the Consolidated Financial Statements, the Company has mortgaged its land situated at Perambur, Chennai as a security and also furnished corporate guarantee to a bank for the borrowings made by PVP Capital Limited, Chennai (i.e., wholly owned step-down subsidiary company) amounting to Rs. 10,000 lakhs. The outstanding amount as per the books of accounts as on March 31, 2021 including interest due is Rs 20,012.67 lakhs. The loanee i.e., PVP Capital Limited has not adhered to repayment schedule of principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the lender bank has taken possession of mortgaged lands and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee, but there were no bidders. We were informed by the Board that the subsidiary viz. PVP Capital Limited is in negotiation with the said bank for one time settlement (OTS). The Board of PVP Ventures Ltd also asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. But, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. Under these circumstances, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the loanee has already defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company in case the corporate guarantee is invoked. Accordingly, the holding company should have considered carrying value of the said asset and / or guarantee furnished as an obligation as per Ind AS 109 while preparing the financial statements. On the basis of above facts, the loss for the year ended March 31, 2021 is understated to this extent. However, it is difficult to measure the extent of under-statement of loss in the circumstances obtaining.*
2. *Attention is invited to note no. 34 to the Statement, in relation to advances made for film production (including interest accrued of Rs. 1,324.37 lakhs) amounting to Rs. 3,895.29 lakhs, by one of its subsidiaries whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. The holding company's Board is of the view that advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We are not provided with any documentary evidence as regards Board's assertion that the carrying amount of loans made have not suffered any erosion as on March 31, 2021. No evidence was adduced regarding the status of production of films. Nor was confirmation produced from the loan debtors. Consequently, we are unable to determine whether any impairment to the carrying amounts of advances were necessary and to this extent, loss for the year ended March 31, 2021 is understated.*
3. *Attention is invited to note no. 35 to the Statement, in relation to inventory i.e., films production expenses amounting to Rs. 4,955.64 lakhs, mainly consists of advances granted to artists and co-producers. As the films have not commenced and / or completed, the advances made continued to be carried as inventory. However, the Board of the holding company states that it is evaluating options for maximum utilization of these payments. In the absence of tangible evidence towards commencement and / or completion of production of films and also in the absence of confirmation of balances from the parties, we are unable to agree with the views of the Board. We are of the opinion that realisation of inventories is doubtful but we are also unable to determine the quantum of loss that may arise on account of write down of inventory.*
4. *The independent auditor of subsidiary company viz. PVP Capital Limited in their auditor's report on the financial statements for the year ended 31<sup>st</sup> March, 2021 have drawn Qualified conclusion in the following matter.*
  - a. *Attention is invited to note no. 36 to the Consolidated Financial Statement which indicates that, the Company has not adhered to the repayment schedule for the principal and interest dues to the Bank, consequent to which the Bank has filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings under Securitization and*

*Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act, 2002). Further the Bank has taken over symbolic possession of the immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee. The outstanding amount is Rs. 20,012.67 lakhs as per the books of account as at 31<sup>st</sup> March, 2021.*

*Further the Company is currently pursuing the realization of dues to the Company and other than this the Company is not carrying any business activity. The regulatory authority may cancel the registration to carry the principal business activity as a Non-Banking Finance Company due to non-maintenance of minimum net owned fund of Rs. 200 lakhs as stated in the said note to the financial statement. The Company's inability to meet its financial statements, non-payment of statutory dues and in absence of visual cash flows, doubts are cast on the ability of the Company to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it is appropriate to treat the Company as a going concern. However, based on the management's assertions that the Company's financial statements have been prepared on the basis of going concern and the impact, if any, if it were to be treated as a going concern, is not ascertainable at this stage.*

- b. Attention is invited to note no. 37 to the consolidated Financial Statements, in relation to the loans for film production amounting to Rs. 15,381.04 lakhs, whose realisability is significantly dependent on timely completion of the production of the films and the commercial viability of the films under production etc. The Management has assessed the recoverability of the loan amount and accordingly made a provision of Rs. 13,889.46 lakhs as at 31<sup>st</sup> March, 2021. However, the Management is unable to provide the status of the production of the recoverability of the whole amount. Hence we are unable to determine whether the said provision is adequate or not.*

5. *The independent auditor of subsidiary company viz. PVP Cinema Private Limited has drawn Qualified conclusion in the following matter which is reproduced as under:*

*Interest on unpaid income tax for FY 2008-09 till date aggregating to Rs. 9.50 lakhs is not accounted. The accumulated loss is short by this amount.*

6. *The independent auditor of subsidiary company viz. PVP Global Ventures Private Limited has drawn Qualified conclusion which is reproduced below*

*We invite attention to Note No. 11.1 regarding advance of Rs. 10366.39 lakhs (PY: Rs. 10321.29 lakhs) given for acquisition of land. The long duration of outstanding of these advance and other factors like low probability of availability of a big chunk of land indicate the existence of uncertainty on the eventual realisability of these advance.*

*We invite attention to the fact that the Company has advanced Rs. 3389.09 lakhs (PY: Rs. 3434.19 lakhs). This has been classified under long term advance. The long duration of outstanding of these advance and other factors like non-payment of interest indicate the existence of uncertainty on the eventual realisability of these advances. However, this year Rs. 847.27 lakhs has been provided for Expected Credit Loss. The financial impact if any due to non-realisation is not ascertainable at this stage.*

*In addition to the above, we invite attention to point no. (f) under report on other Legal and Regulatory requirements*

*We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of consolidated financial statements in India in terms of Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.*

### **Material uncertainty related to Going Concern**

Attention is invited to note nos. 43 & 44 to the consolidated financial statements, which indicates that the group was unable to honour its obligation towards repayment of principal and interest to its debenture holders and on loans availed from bank. Further, the impact of outbreak of Coronavirus (COVID -19) on the business operations especially considering the prevalent situation in real estate sector and movie production sector in which the group has significant exposure and along with the other matters as stated in said note, there exists a material uncertainty which may cast doubt on the company's ability to continue as a going concern.

Our audit opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our Report.



### **Contingent Liabilities in relation to Tax Litigations and Other Statutory Authorities**

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p>The Group has received demand notices relating to direct tax matters and indirect tax matters and demands from various statutory authorities. The group is contesting these demands (refer note no.48 to the consolidated financial statements).</p> <p>There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants where ever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported loss and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the current status of the litigations/ tax assessments and demands from various statutory authorities.</li> <li>• Examining recent orders and/or communication received from various tax authorities/judicial forums and follow up action thereon.</li> <li>• Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and</li> <li>• Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues.</li> </ul>

*As a result of the above audit procedures, no material difference was noted. We confirm the adequacy of disclosures made in the financial statements.*

*Key Audit Matters relating to a subsidiary viz. Picturehouse Media Limited, Chennai (extract from the report of Subsidiary Auditor)*

### **Contingent Liabilities in relation to Service Tax Litigations**

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p>The Group has received certain demand orders and notices relating to service tax matters. The company is contesting these demands (refer Note no. 48 to the consolidated financial statements).</p> <p>There is high level of judgment required in estimating the level of provisioning. The management's assessment is supported by the facts of matter, their own judgment and advices from legal and independent service tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the management's reported consolidated loss and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgements/interpretation of law involved.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>(i) Understanding the current status of the service tax litigations.</li> <li>(ii) Examining recent orders and/or communication received from various service tax authorities and follow up action thereon.</li> <li>(iii) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal advice; and</li> <li>(iv) Review and analysis of evaluation of the contentions of the management through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on service tax issues.</li> </ol>

*Key Audit Matters relating to a subsidiary viz. PVP Corporate Parks Private Limited, Chennai (extract from the report of Subsidiary Auditors)*

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involve significant judgement to determine the possible outcome of these disputes.</p>	<p>We have gone through the management's assumptions to determine the possible outcome of these disputes.</p>

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report including annexures to Board's Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditor's report thereon. The above reports are expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the above reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditors' Responsibilities for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other audit reports as noted in 'Other Matters Paragraphs' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters:**

1. We did not audit financial statements and other financial information of ten subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 45,717.69 lakhs as at 31<sup>st</sup> March, 2021, Total revenue (including other income) of Rs. 29.42 lakhs, total loss after tax of Rs. 6,510.31 lakhs, total comprehensive loss (net of tax) of Rs. 6,508.98 lakhs for the year ended 31<sup>st</sup> March, 2021 and net cash outflow of Rs. 2.72 lakhs for the year ended 31<sup>st</sup> March, 2021, as considered in the consolidated financial statements. The financial statements and other financial information of these subsidiaries have been audited by the other auditor whose reports have been furnished to us by the management and our report on the consolidated financial statements in so far as it relates to the aforesaid subsidiaries is based solely on the reports of other auditors.
2. Corresponding figures for the year ended 31<sup>st</sup> March, 2020 that have been included in the financial statements are based on the audit by our predecessor, who have expressed modified opinion vide their report dated July 31, 2020. We have accepted those figures and reports by verifying relevant records of the company for the purpose of our opinion on this statement.

Our conclusion is not modified in respect of the above-mentioned matters for the purpose of our opinion on the Statement.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the other matters paragraph above, we report to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. *Except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above*, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matter described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f. Attention is invited to note no. 33(a) & 33(b) to the Consolidated Financial Statements, regarding section 164(2)(b) of the Act, which explains the Board's view regarding defaults committed in redeeming the debentures and repayment of interest as per the schedule of redemption / payment pertaining to the holding company.

*Though the Board has obtained an extension till 30<sup>th</sup> June, 2021 from the debenture holder vide letter dated 08<sup>th</sup> February 2021 to pay the outstanding (covering all the defaults happened up to 31<sup>st</sup> March, 2020) and is of the opinion that as extension of time has been obtained from the debenture holder there is no delay as regards repayment of debenture and interest thereon. However, we do not agree with the Board's view.*

On the basis on the reports of the other statutory auditor of its subsidiary companies, none of the directors of the subsidiary companies are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2)(b) of the Act.

- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

- h. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" to this report; and
- i. With respect to the other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended, in our opinion and to the best of our information and according to the explanations given to us, during the year, the holding company and its subsidiaries, has not paid remuneration to the directors in accordance with the provisions of section 197 of the Companies Act, 2013. Therefore, reporting whether the remuneration paid is within limits prescribed by the Act or not is not applicable.
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other Matter' paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group. Refer note no: 48 to the consolidation financial statements.
  - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group; and
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08,2016 to December 30,2016 have not been made in these financial statements since they do not pertain to the financial year 2020-21

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.0042075

**Sd/-**  
**Venkatasubramanian.S**  
Partner  
Membership Number : 219238  
UDIN: 21219238AAAAEH9453

Place: Chennai  
Date : June 22, 2021

## **Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of **PVP Ventures Limited** as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of PVP Ventures Limited ("the Holding Company" or "the Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Entities covered in consolidation are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the company's internal financial controls system over financial reporting.*

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following weaknesses have been identified in the operating effectiveness of the group's internal financial control over financial reporting with reference to the consolidated financial statements as at 31st March, 2021:

- a. "The group's internal financial control with regard to realizability of loans and advances and inventory as more fully explained in note no.34 and 35 to these financial statements were not operating effectively and could potentially result in the understatement to the carrying value of such assets and also company needs to strengthen its documentation relating to disbursement of loans".
- b. Assessment of expected cash shortfall and resultant loss allowance that may be required in respect of invocation of corporate guarantees and demand against the company in respect of such guarantees executed for its subsidiary in favour of lender.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, *except for the possible effects of the material weaknesses described above* on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weaknesses identified and reported in the Qualified Opinion paragraph in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the company for the year ended 31st March, 2021 and material weaknesses do not affect our opinion on the financial statements of the Group.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the ten subsidiaries is solely based on the corresponding reports of the auditors of such companies.

Our report is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of other auditors.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Registration. No.0042075

**Sd/-**  
**Venkatasubramanian.S**  
Partner  
Membership Number : 219238  
UDIN: 21219238AAAAEH9453

Place: Chennai  
Date : June 22, 2021

# CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

Particulars		Note No.	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	4.1		480.73	1,372.02
(b) Other Intangible assets	4.2		0.01	6.35
(c) Financial Assets				
(i) Investments	5		1,757.14	2,904.45
(ii) Loans	6		33.95	63.58
(d) Deferred tax assets - Tax Credit			941.74	941.74
(e) Other non current assets	7		12,947.45	14,260.31
<b>Total Non Current Assets</b>			<b>16,161.02</b>	<b>19,548.45</b>
<b>(2) Current assets</b>				
(a) Inventories	8		34,056.70	34,099.50
(b) Financial Assets				
(i) Trade receivables	9		162.13	150.31
(ii) Cash and cash equivalents	10		393.39	34.37
(iii) Loans	11		4,134.86	5,638.19
(iv) Other financial assets	12		1,553.26	1,539.58
(c) Other current assets	13		122.09	99.67
<b>Total Current Assets</b>			<b>40,422.43</b>	<b>41,561.62</b>
<b>Total Assets</b>			<b>56,583.45</b>	<b>61,110.07</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	14A		24,396.25	24,396.25
(b) Other Equity	14B		(23,978.82)	(18,346.26)
(c) Non Controlling Interest			(9,572.58)	(7,150.02)
(d) Equity component of Parent Company			707.00	707.00
<b>Total Equity</b>			<b>(8,448.15)</b>	<b>(393.03)</b>
<b>LIABILITIES</b>				
<b>(1) Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15		14,423.04	18,340.39
(ii) Other financial liabilities	16		147.30	247.09
(b) Provisions	17		26.11	25.26
(c) Deferred tax liabilities (Net)			-	-
(d) Other non current liabilities	18		3,954.74	4,252.59
<b>Total Non Current Liabilities</b>			<b>18,551.19</b>	<b>22,865.33</b>
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19		12,027.97	10,933.72
(ii) Trade payables			-	-
Total outstanding dues to micro, small and medium enterprises			-	-
Total Outstanding dues to creditors other than micro, small and medium enterprises	20		154.56	213.79
(iii) Other financial liabilities	21		27,744.88	19,929.85
(b) Other current liabilities	22		5,053.16	5,949.46
(c) Provisions	23		1,499.84	1,610.95
<b>Total Current Liabilities</b>			<b>46,480.41</b>	<b>38,637.77</b>
<b>Total Equity and Liabilities</b>			<b>56,583.45</b>	<b>61,110.07</b>

Summary of Significant Accounting Policies

2

The accompanying notes and other explanatory information are an integral part of the Consolidation Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>I.</b>	<b>Revenue from Operations</b>	<b>24</b>	<b>1,783.95</b>	<b>4,371.89</b>
<b>II.</b>	<b>Other Income</b>	<b>25</b>	<b>189.45</b>	<b>80.30</b>
<b>III.</b>	<b>Total Income (I+II)</b>		<b>1,973.40</b>	<b>4,452.19</b>
<b>IV.</b>	<b>Expenses</b>			
	Change in inventories of Stock-in-Trade	<b>26</b>	99.51	149.93
	Cost of Film Production expenses	<b>27</b>	3.03	987.04
	Employee Benefits Expenses	<b>28</b>	180.54	236.27
	Finance Costs	<b>29</b>	6,131.28	6,912.06
	Depreciation and Amortisation	<b>4.1 &amp; 4.2</b>	196.33	246.22
	Other Expenses	<b>30</b>	1,364.17	1,003.65
	Contingent provision on sub- standard assets		1,491.59	3,099.47
	Provision for doubtful advances and debts		-	970.02
	<b>Total Expenses</b>		<b>9,466.45</b>	<b>13,604.66</b>
<b>V.</b>	<b>Profit Before Tax and Exceptional items (III-IV)</b>		<b>(7,493.05)</b>	<b>(9,152.47)</b>
<b>VI.</b>	<b>Exceptional Items</b>	<b>31</b>	<b>(569.08)</b>	<b>(87.44)</b>
<b>VII.</b>	<b>Profit/ (Loss) Before Tax (V+VI)</b>		<b>(8,062.13)</b>	<b>(9,065.03)</b>
<b>VIII.</b>	<b>Tax Expenses</b>			
	Current Tax		-	-
	Less/Add: MAT Credit Entitlement/ Utilised		-	269.88
	Income tax relating to earlier years		-	0.57
	<b>Total Tax Expenses</b>		<b>-</b>	<b>270.45</b>
<b>IX.</b>	<b>Profit/(Loss) for the Period (VII -VII)</b>		<b>(8,062.13)</b>	<b>(9,335.48)</b>
<b>X.</b>	<b>Other Comprehensive income</b>			
<b>A</b>	<b>Items that will not be reclassified to profit or loss</b>			
	Remeasurement of defined benefit obligation		7.01	7.36
<b>B</b>	<b>Items that will be reclassified subsequently to profit and loss</b>		-	-
	<b>Total Other Comprehensive income for the year</b>		<b>7.01</b>	<b>7.36</b>
<b>XI.</b>	<b>Total Comprehensive income/(loss) for the year IX+X)</b>		<b>(8,055.12)</b>	<b>(9,328.12)</b>
<b>XII.</b>	<b>Net Loss/ profit attributable to:</b>			
	Non Controlling Interest		(2,423.89)	(3,255.81)
	Owners of the Parent		(5,638.24)	(6,079.67)
	<b>Other Comprehensive income for the year attributable to:</b>			
	Non Controlling Interest		1.33	2.49
	Owners of the Parent		5.68	4.87
<b>XII.</b>	<b>Total Comprehensive income for the year attributable to:</b>		<b>(2,422.56)</b>	<b>(3,253.32)</b>
	Non Controlling Interest		<b>(5,632.56)</b>	<b>(6,074.80)</b>
	Owners of the Parent			
<b>XIII.</b>	<b>Earnings Per Share</b>			
	Basic and Diluted - (Rs.)		<b>(3.29)</b>	<b>(3.83)</b>
	Face Value per Ordinary share - (Rs.)		<b>10.00</b>	<b>10.00</b>

Summary of Significant Accounting Policies

2

The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars		As at 31st March 2021	As at 31st March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit / (Loss) before Tax</b>	<b>(8,062.13)</b>	<b>(9,065.03)</b>
	<b>Adjustments for:</b>		
	Depreciation and Amortization	196.33	246.22
	(Profit) / Loss on Sale of asset	1,135.49	2.60
	Exceptional Items	(569.08)	-
	Fair Value through Profit and Loss	(0.26)	(0.33)
	Provision for diminution in value of investment	200.00	395.23
	Bad debts written off	-	81.28
	Provision for doubtful advances	870.97	970.02
	IND AS Adjustment - FVTPL - Loans and Advances	-	21.06
	Interest provided on Income tax Dues	-	102.83
	Contingent provision on sub- standard assets	1,491.59	3,099.47
	Provision on Employee benefits	(26.71)	(2.39)
	Sundry Creditors Written up	(3.22)	-
	Payable written up	(108.64)	-
	Unwinding of Interest income on rental deposits	(2.75)	-
	Interest on Advances to Staff	(0.79)	-
	Excess provision Written back	(18.86)	(7.34)
	Interest Income	(25.04)	(276.50)
	Interest Expenses	6,039.34	6,737.09
	<b>Cash Generated Before Working Capital Changes</b>	<b>1,116.24</b>	<b>2,304.22</b>
	<b>Movement In Working Capital</b>		
	Increase / (Decrease) in Trade Payables	(47.35)	38.53
	Increase / (Decrease) in Other Financial Liabilities	74.45	69.90
	Increase / (Decrease) in Other Liabilities	(1,125.15)	(1,636.55)
	(Increase) / Decrease in Trade Receivables	(11.93)	(6.47)
	(Increase) / Decrease in Inventories	13.65	269.98
	(Increase) / Decrease in Loans and Advances	117.76	625.18
	(Increase) / Decrease in Other Financial Assets	103.55	126.05
	(Increase) / Decrease in Other Assets	(9.52)	(25.14)
	<b>Cash Generated From Operations</b>	<b>231.70</b>	<b>1,765.70</b>
	Direct Taxes Paid	389.05	(8.28)
	Interest expenses on financing activities	-	(14.53)
	<b>Net Cash Flow From / (Used in) Operating Activities</b>	<b>620.75</b>	<b>1,742.89</b>
<b>B.</b>	<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
	Purchase of PPE, Intangible Assets and Investment Property	(2.49)	(11.77)
	Proceeds from Sale of assets	4.84	20.00
	Repayment/(Advances) made for Film Finance	(262.47)	-
	Proceeds from sale of investments	947.57	0.26
	Investments/advances to subsidiaries	-	-
	Interest Income Received	44.72	190.62
	<b>Net Cash Flow From / (Used in) Investing Activities</b>	<b>732.17</b>	<b>199.11</b>



## CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Lakhs)

Particulars		As at 31st March 2021	As at 31st March 2020
<b>C.</b>	<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
	Proceeds/(repayments) from Short Term Borrowings	(241.30)	254.99
	Proceeds from Long Term Borrowings	-	832.83
	Repayment of Long Term Borrowings	(733.60)	(1,995.91)
	Interest Paid on borrowings	49.99	(1,076.92)
	Lease liability paid	(68.99)	(103.28)
	<b>Net Cash Flow From / (Used in) Financing Activities</b>	<b>(993.90)</b>	<b>(2,088.29)</b>
	<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	359.02	(146.29)
	Cash and Cash Equivalents at the beginning of the year	34.37	180.66
	Cash and Cash Equivalents at the end of the year	<b>393.39</b>	<b>34.37</b>
<b>D.</b>	<b>Components of Cash and Cash Equivalents</b>		
	Cash and Cheques on Hand	0.68	0.20
	Balances with Banks		
	-In Current Accounts and Deposit Accounts	392.71	34.17
	<b>Cash and cash Equivalent</b>	<b>393.39</b>	<b>34.37</b>

### Notes:

- 1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.  
Reconciliation between the opening and closing balances in the balance sheet for financial liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	As at April 01, 2020	Net Cash Flows	Non- Cash Changes Book Adjustments	As at March 31, 2021
Long Term Borrowings	24,932.90	(733.60)	(912.61)	23,286.69
Short term Borrowings	10,933.72	(241.30)	1,335.55	12,027.97
Other Financial Liabilities	13,121.82	49.99	5,598.03	18,769.84
<b>Total Financial Liabilities</b>	<b>48,988.44</b>	<b>(924.91)</b>	<b>6,020.97</b>	<b>54,084.50</b>

### Summary of Significant Accounting Policies

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants

Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

### For and on behalf of the Board of Directors

Sd/-

**PRASAD V. POTLURI**

Chairman & Managing Director

(DIN: 00179175)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

Place : Chennai

Date : June 22, 2021

Sd/-

**N.S. KUMAR**

Director

(DIN: 00552519)

Place : Chennai

Date : June 22, 2021

Sd/-

**K Ramyanka Yadhav**

Company Secretary

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

## A. Equity Share Capital (Rs. In lakhs)

Particulars	Note No.	Amount
Balance as at 1st April, 2019	14A	24,396.25
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2020	14A	24,396.25
Changes in Equity Share Capital during the year		-
Balance as at 31st March, 2021	14A	24,396.25

## B. Other Equity (refer note no - 14B)

Particulars	Other Equity						Equity Component of Parent Company	Non Controlling Interest	Total Equity attributable to equity holders of the company	
	Reserves and Surplus					Other Items of Other Comprehensive Income				
	Capital Reserve	Securities Premium	General Reserve	Statutory Reserve	Debt Redemption Reserve					Retained Earnings
<b>Balance as on 1st April 2019</b>	2,926.05	85,685.26	0.44	263.09	150.00	(101,293.87)	144.72	707.00	(3,903.58)	(15,320.89)
Transitional effects from IND AS 116 (refer note no.48)	-	-	-	-	-	(147.44)	-	-	6.88	(140.56)
Changes in Non Controlling Interest	-	-	-	-	-	0.29	-	-	-	0.29
Remeasurement of the net defined benefit liability/ asset , net of tax effect	-	-	-	-	-	-	4.87	-	2.49	7.36
Loss for the period	-	-	-	-	-	(6,079.66)	-	-	(3,255.81)	(9,335.48)
Transferred from Retained Earnings	-	-	-	-	-	-	-	-	-	-
<b>Balance as on 31st March 2020</b>	2,926.05	85,685.26	0.44	263.09	150.00	(107,520.69)	149.59	707.00	(7,150.02)	(24,789.28)
Transitional effects from IND AS 116 (refer note no.48)	-	-	-	-	-	-	-	-	-	-
Changes in Non Controlling Interest	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset , net of tax effect	-	-	-	-	-	-	5.68	-	1.33	7.01
Transferred from Retained Earnings	-	-	-	-	-	155.27	(155.27)	-	-	-
Loss for the period	-	-	-	-	-	(5,638.24)	-	-	(2,423.89)	(8,062.13)
<b>Balance as on 31st March 2021</b>	2,926.05	85,685.26	0.44	263.09	150.00	(113,003.65)	0.00	707.00	(9,572.58)	(32,844.39)

## The description of the nature and purpose of each reserve within equity is as follows:

- Security Premium** : This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.
- Retained Earnings** : Retained Earnings represent accumulated losses of the company.
- Capital Reserve** : Capital Reserve represents reserve recognised on amalgamations and arrangements and profit/loss on sale of fixed assets recognised during the financial year 2009-10 and 2010-11.
- General Reserve**: Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 ("the Companies Act"), the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. The amount credited to the reserve can be utilised by the company in accordance with the provisions of the Companies Act, 2013.
- Statutory Reserve**: Statutory Reserve represents reserve created as per section 45-IC of the Reserve Bank of India Act, 1934.
- Exchange Fluctuation Reserve** : Exchange differences relating to the translation of the results and the net assets of the group's foreign operations from their functional currencies to the group's presentation currency (i.e currency units) are recognised directly in other comprehensive income and accumulated in the exchange fluctuation reserve. Exchange differences previously accumulated in the exchange fluctuation reserve will be reclassified to profit or loss on the disposal of foreign operations.

**7. Debt Redemption Reserve (DRR)** : The company has issued redeemable non-convertible listed debentures. Accordingly, the companies (Share Capital and Debentures Rules, 2014 (as amended)), requires the company to create DRR out of profits of the company. During the financial year 2018-19, Debt Redemption Reserve (DRR) amounting to Rs. 150 lakhs has created out of profits available for distribution of dividend.

Item (B), Sub clause (iii), Sub-rule (7) of Rule 18 of Companies (Share Capital and Debentures) Amendment Rules, 2019 w.e.f 16.08.2019 exempts listed companies in case of Privately placed Debentures, from creation of Debt Redemption Reserve (DRR). Accordingly, DRR is not created for the year 2020-2021.

## Summary of Significant Accounting Policies

The accompanying notes and other explanatory information are an integral part of the Consolidated Financial Statements.

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Reg No. 0042075

Sd/-

**Venkatasubramanian.S**

Partner

Membership No. 219238

Place : Chennai

Date : June 22, 2021

## For and on behalf of the Board of Directors

Sd/-

**PRASAD V. POTTURI**

Chairman & Managing Director

(DIN: 00552519)

Place : Hyderabad

Date : June 22, 2021

Sd/-

**Karthikeyan Shanmugam**

Chief Financial Officer

ACS Membership NO. A45483

Place : Hyderabad

Date : June 22, 2021

# Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

## 1. Corporate Information

PVP Ventures Limited ("the Parent Company") is a public company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Parent Company's registered office is situated at Door No:2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai, Tamilnadu – 600031. The main activities of the Parent Company along with its subsidiaries are developing urban infrastructure and Movie production and Movie Financing related activities. The Parent Company together with its subsidiaries is hereinafter referred to as the "Group".

The Consolidated Financial Statements for the year ended March 31, 2021 (including comparatives) are duly adopted by the Board of Directors in their meeting held on June 22, 2021 by video conferencing for consideration and approval by the shareholders.

## 2. Significant Accounting Policies

### a) Basis of Preparation of Financial Statements

These financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the companies act, 2013, ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs as per the requirement of schedule III.

Disclosures under Ind AS are made only in respect of material items that will be useful to the users of financial statements in making economic decisions.

The financial statements are presented in Indian currency (INR), being the functional and presentation currency. Being the currency of the primary economic environment in which the Group operates.

All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in **Ind AS 1 Presentation of Financial Statements** and **Schedule III to the Companies Act, 2013**.

#### Current/Non-Current Classification

An asset is classified as current when

- a) It is expected to be realized or consumed in the Group's normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be realized within twelve months after the reporting period; or
- d) If it is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Any asset not conforming to the above is classified as non-current.

A liability is classified as current when

- a) It is expected to be settled in the normal operating cycle of the Group;
- b) It is held primarily for the purpose of trading;
- c) It is expected to be settled within twelve months after the reporting period; or
- d) The Group has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Any liability not conforming to the above is classified as noncurrent.

### b) Basis of consolidation:

- i) The consolidated financial statements of the Group incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company has control over the subsidiaries as it is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect its returns through its power over the subsidiaries.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including rights arising from other contractual arrangements.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Adjustments are made to the financial statements of subsidiaries, as and when necessary, to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In case of subsidiaries consolidated for the first-time consequent to adoption of IND AS, the deemed cost of goodwill as of the transition date has been computed to equal the difference between:

- the Group's interest in carrying amounts of assets and liabilities; and
- the cost, in the Parent Company's separate financial statements, of its investment in the subsidiary.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

Associates are all entities over which the group has significant influence but no control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates is accounted for using equity method of accounting, after initially being recognised at cost.

### ii) List of subsidiaries and proportion of voting power held

Name of the Subsidiary Company	Principal place of business	As at 31st March 2021	As at 31st March 2020
		% Of Ownership Directly or through subsidiaries	% Of Ownership Directly or through subsidiaries
PVP Corporate Parks Private Limited, Chennai	India	100.00%	100.00%
PVP Global Ventures Private Limited, Chennai	India	100.00%	100.00%
PVP Media Ventures Private Limited, Chennai	India	100.00%	100.00%
Safetrunk Services Private Limited, Chennai	India	100.00%	100.00%
New Cyberabad City Projects Private Limited, Chennai	India	80.99%	80.99%
Picturehouse Media Limited, Chennai	India	49.55%	49.55%
Adobe Realtors Private Limited, Chennai *	India	100.00%	100.00%
Arete Real Estate Developers Private Limited, Chennai *	India	100.00%	100.00%
Expressions Real Estate Private Limited, Chennai**	India	100.00%	100.00%
PVP Capital Limited, Chennai**	India	100.00%	100.00%
PVP Cinema Private Limited, Chennai**	India	100.00%	100.00%

\* Adobe Realtors Private Limited, Arete Real Estate Developers Private Limited, Expressions Real Estate Private Limited are the wholly owned subsidiary companies of PVP Global Ventures Private Limited.

\*\* PVP Capital Limited and PVP Cinema Private Limited are the wholly owned subsidiaries of Picturehouse Media Limited.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

- iii) Notes to the consolidated financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

### c) Ind AS 103 – Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### Common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

1. The assets and liabilities of the combining entities are reflected at their carrying amounts.
2. No adjustments are made to reflect fair values or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
3. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
4. The identity of the reserves is preserved, and the reserves of the transferor become the reserves of the transferee.
5. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
6. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### d) Property, Plant and Equipment:

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all direct costs relating to acquisition and installation of Property, Plant and Equipment and borrowing cost relating to qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is charged to the statement of profit or loss so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the Balance Sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of the depreciable assets are as follows:

<b><u>Class of Assets</u></b>	<b><u>Estimated Useful Life</u></b>
Plant and Equipment	5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Computers and related Assets	3 years
Office Equipment	3 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

### e) Intangible Assets

Intangible Assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

### f) Impairment of Property, Plant and Equipment and Intangible Assets:

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

### g) Foreign Currency Translation:

#### **Initial Recognition**

On initial recognition, transactions in foreign currencies entered into by the group are recorded in the functional currency (i.e., India Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

### Measurement of foreign currency items on reporting date

Foreign currency monetary items of the company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit and Loss.

Effective 01<sup>st</sup> April 2018, the group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

### Group Companies

For the purposes of the consolidated financial statements, items in the consolidated statements of profit and loss of those operations for which the Indian Rupees is not the functional currency are translated to Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet are translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in statement of profit and loss.

#### h) Leases:

##### The Group as a Lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether : (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

##### The Group as a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of owner ship to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease

### **Lease-hold land:**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease.

The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in Ind AS 116 "Leases") and is amortized over the lease term in accordance with the pattern of benefits provided.

### **i) Inventories**

Land and related development activities are valued at Cost or Net Realizable Value whichever is lower. Cost comprises of all expenses incurred for the purpose of acquisition of land, development of the land and other related direct expenses.

Investments in films and associated rights, including acquired rights and advances to talent associated with film production, are stated at lower of cost / unamortised cost or realisable value. Costs include production costs, overhead and capitalized interest costs net of any amounts received from third party investors.

The cost of production of feature film will be claimed as a deduction in accordance with Rule 9A of Income Tax Rules, 1962.

### **j) Financial Instruments**

#### **1) Initial Recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

#### **2) Subsequent measurement**

##### **i) Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

##### **ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election for its investments which are classified as equity instruments based on its business model, to present the subsequent changes in fair value through other comprehensive income.

##### **iii) Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit or loss.

##### **iv) Investment in Subsidiaries**

Investments in subsidiaries are carried at cost in accordance with Ind AS 27 Separate Financial Statements. Provision for diminution in value of investments has been made wherever required.

##### **v) Financial Liability**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

#### **3) Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 4) Impairment of Assets

#### Financial Assets (other than at fair value):

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 5) Fair value of Financial Instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

#### Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation and the unwinding of the discount is recognised as interest expense.

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 Group, 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. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

### l) Revenue Recognition

The Group has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e., 01<sup>st</sup> April 2018).

As a consistent practice, the Group recognises revenues on accrual basis.

- 1) The Group recognises revenue when it determines the satisfaction of performance obligations at a point of time. Revenue is recognised upon transfer of control of promised services to customer in an amount that reflects the consideration which the company expects to receive in exchange for the services.

Current assets are recognised under Trade Receivables. Current Liabilities are recognised when there is an advance received from customers.

- 2) Revenue from film production is recognized, net of sales related taxes, when the agreement exists, the fees are fixed or determinable, the product is delivered, or services have been rendered and collectability is reasonably assured. The Group considers the terms of each arrangement to determine the appropriate accounting treatment.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

The following additional criteria apply in respect of various revenue streams within filmed entertainment:

**Theatrical** — Contracted minimum guarantees are recognized on the theatrical release date. The Group's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Group.

**Other rights** - other rights such as satellite rights, overseas rights, music rights, video rights, etc. is recognized on the date when the rights are made available to the assignee for exploitation.

- 3) a) Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- b) In respect of PVP Capital Limited, Interest income on loans is accrued over the maturity of the loan where the interest is serviced regularly as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the company. Interest on loans which are classified as non-performing assets and are accounted for on realization basis.
- 4) Dividend from investments is accounted for as income when the right to receive dividend is established.

### m) Employee Benefits

#### 1) Gratuity

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on projected unit credit method as at balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognised in other comprehensive income are not to be subsequently reclassified to profit or loss. As required by Schedule III to Companies Act, 2013, the Group transfers it immediately to retained earnings.

#### 2) Compensated Absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

#### 3) Other Benefit Plans

Contributions paid/payable under defined contributions plans are recognised in the statement of Profit or Loss 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.

### n) Taxes on Income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### i) Current Income Tax

Current Income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

#### ii) Deferred Income Tax

Deferred Income tax is recognised using balance sheet approach. Deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred Income tax assets are recognised for all deducted temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Deferred Income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

### **o) Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### **p) Earnings per Share**

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **q) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax or loss is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

### **r) Exceptional Items**

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

### **s) Segment Reporting**

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment are allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments are disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment and all other assets and liabilities are disclosed as unallocable. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

### **t) Indian Accounting Standards / amendments issued but not yet effective**

The Ministry of Corporate Affairs (MCA) vide its notification dated June 18, 2021 has amended the following Indian Accounting Standards (Ind AS).

- (i) Ind AS 101 – First time adoption of Indian Accounting Standards
- (ii) Ind AS 102 – Share based payment
- (iii) Ind AS 103 – Business Combinations
- (iv) Ind AS 104 – Insurance Contract
- (v) Ind AS 105 – Non-current assets held for sale and discontinued operations
- (vi) Ind AS 106 – Exploration and evaluation of Mineral Resources

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

- (vii) Ind AS 107 – Financial Instruments - disclosures
- (viii) Ind AS 109 – Financial Instruments
- (ix) Ind AS 111 – Joint arrangements
- (x) Ind AS 114 – Regulatory deferral accounts
- (xi) Ind AS 115 – Revenue from Contracts with Customers
- (xii) Ind AS 116 – Leases
- (xiii) Ind AS 1 – Presentation of financial statements
- (xiv) Ind AS 8 – Accounting policies, Changes in accounting estimates and errors.
- (xv) Ind AS 12 – Income Taxes
- (xvi) Ind AS 16 – Property, plant and equipment
- (xvii) Ind AS 27 – Separate Financial Statements
- (xviii) Ind AS 28 – Investments in Associates and Joint Ventures
- (xix) Ind AS 34 – Interim Financial Reporting
- (xx) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- (xxi) Ind AS 38 -Intangible assets

The amendments to the above-mentioned standards (other than amendments relating to Ind AS 116) are prospective.

Therefore, the amendments are not applicable for the year ended March 31,2021.

### 3. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

- **Valuation of investment in/loans to subsidiaries**

The Group has performed valuation for its investments in equity of certain subsidiaries for assessing whether there is any impairment in the fair value. When the fair value of investment in subsidiaries cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques including the discounted cash flow model. Similar assessment is carried for exposure of the nature of loans thereon. The inputs to these models are taken from observable markets where possible, but where is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of these investments.

- Accounting for the film content requires management's judgment as it relates to total revenues to be received and costs to be incurred for each film. The Group is required to identify and assess and determine income generated from commercial exhibition of films. Judgment is also required in determining the charge to statement of profit and loss. As well as considering the recoverability or conversion of advances made in respect of securing film content or the services of talent associated with film production.
- **Useful lives of property, plant and equipment and intangible assets:** The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the carrying amount of property, plant and equipment at the Balance Sheet date. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment and intangible assets are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than it's carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

- **Income Taxes:** Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and their tax charge in the statement of profit or loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit or loss.

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- **Revenue from Contract with Customers:** The Group has applied judgments that affect the determination of the amount and timing of revenue from contracts with customers.

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No 4.1 : Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Building	Plant and Equipment	Computers and Related Assets	Furniture and Fixtures	Vehicles*	Office Equipments	Right to Use Asset (Building)	Total
<b>Gross Block</b>									
Gross Carrying value as on 1st April, 2019	-	348.81	199.91	41.39	558.25	349.93	179.71	-	1,678.00
Additions	89.23	35.98	-	2.34	0.18	0.99	0.14	279.38	408.24
Deletions	(20.00)	-	-	-	-	(9.01)	(0.41)	-	(29.42)
Gross Carrying value as on 31st March, 2020	69.23	384.79	199.91	43.73	558.43	341.91	179.44	279.38	2,056.82
Additions	-	-	-	1.54	-	0.95	-	208.01	210.50
Deletions	-	(348.81)	(195.71)	(2.25)	(465.39)	(62.77)	(19.87)	(193.99)	(1,288.79)
Gross Carrying value as on 31st March, 2021	69.23	35.98	4.20	43.02	93.04	280.09	159.57	293.40	978.53
<b>Accumulated Depreciation</b>									
Accumulated Depreciation as on 1st April, 2019	-	5.98	42.45	29.55	101.21	117.68	149.56	-	446.43
Depreciation for the year	-	5.79	37.39	3.15	56.91	50.85	6.33	84.76	245.19
Accumulated depreciation on deletions	-	-	-	-	-	(6.66)	(0.16)	-	(6.82)
Accumulated Depreciation as on 31st March, 2020	-	11.77	79.84	32.70	158.12	161.87	155.73	84.76	684.80
Depreciation for the year	-	5.21	31.28	2.75	49.74	39.03	5.33	62.20	195.54
Accumulated depreciation on deletions	-	(16.14)	(108.12)	(1.76)	(128.92)	(62.77)	(16.33)	(48.50)	(382.54)
Accumulated Depreciation as on 31st March, 2021	-	0.84	3.00	33.69	78.94	138.13	144.73	98.46	497.80
<b>Net Block</b>									
Carrying Value as on 31st March, 2020	69.23	373.02	120.07	11.03	400.31	180.04	23.71	194.62	1,372.02
Carrying Value as on 31st March, 2021	69.23	35.14	1.20	9.33	14.10	141.96	14.84	194.94	480.73

\*Vehicles include carrying value of assets amounting to Rs. 61.58 lakhs as at March 31, 2021 hypothecated with bank for vehicle loan availed. (Refer note no. 33(c))

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note 4.2 Intangible Assets

(₹ in Lakhs)

Particulars	Software	Total	Goodwill
<b>Gross Block</b>			
<b>Gross Carrying Value as at 1st April 2019</b>	<b>9.75</b>	<b>9.75</b>	<b>4,635.44</b>
Additions	-	-	-
Deletions	-	-	-
<b>Gross Carrying Value as at 31st March 2020</b>	<b>9.75</b>	<b>9.75</b>	<b>4,635.44</b>
Additions	-	-	-
Deletions	(9.32)	(9.32)	-
<b>Gross Carrying Value as at 31st March 2021</b>	<b>0.43</b>	<b>0.43</b>	<b>4,635.44</b>
<b>Accumulated Depreciation</b>			
<b>Accumulated Depreciation as on 1st April, 2019</b>	<b>2.37</b>	<b>2.37</b>	<b>4,635.44</b>
Depreciation for the year	1.03	1.03	-
on Disposals	-	-	-
<b>Accumulated Depreciation as on 31st March, 2020</b>	<b>3.40</b>	<b>3.40</b>	<b>4,635.44</b>
Depreciation for the year	0.79	0.79	-
on Disposals	(3.77)	(3.77)	-
<b>Accumulated Depreciation as on 31st March, 2021</b>	<b>0.42</b>	<b>0.42</b>	<b>4,635.44</b>
<b>Net Block</b>			
<b>Carrying Value as on 31st March, 2020</b>	<b>6.35</b>	<b>6.35</b>	-
<b>Carrying Value as on 31st March, 2021</b>	<b>0.01</b>	<b>0.01</b>	-

## Note No. 5 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Non-Current Investments</b>		
<b>Investments in other Equity Instruments (Unquoted)</b>		
<b>I. Investment carried (At Cost) (Fully Paid Up)</b>		
Arsikere Solar Private Limited - 100 (Last year - 100) equity shares of Rs.10 each	0.01	0.01
Kadur Solar Private Limited - 100 (Last year - 100) equity shares of Rs.10 each	0.01	0.01
Ranibenur Solar Private Limited - 100 (Last year - 100) equity shares of Rs.10 each	0.01	0.01
<b>(A)</b>	<b>0.03</b>	<b>0.03</b>
<b>II. Investments in Equity Shares in others carried at fair value through Profit and Loss account</b>		
Jagati Publications Limited 36,38,053 (Last year - 36,38,053) equity shares of Rs.10 each (refer note no.40)	13,096.99	13,096.99
Less: Provision for diminution in value of investment	(12,766.27)	(12,566.27)
<b>(B)</b>	<b>330.72</b>	<b>530.72</b>
<b>III. Investment in debentures (Cost, Fully Paid Up - Unquoted)</b>		
Blasters Sports Ventures Private Limited	1,421.37	2,368.94
1,42,13,660 (Last year - 2,36,89,430) 1% Redeemable Non - convertible Cumulative unsecured debentures of Rs.10 each		
Crust Realtors Private Limited	328.00	328.00
3280 (Last year - 3280) - 0% Optional Convertible Debentures of Rs.10,000/- each		
Mantel Realtors Private Limited	500.00	500.00
5000 (Last year - 5000) - 0% Optional Convertible Debentures of Rs.10,000/- each		

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
PNV Real Estates & Developers Private Limited 4500 (Last year - 4500) - 0% Optional Convertible Debentures of Rs.10,000/- each	450.00	450.00
Stone Valley Real Estates Private Limited 3500 (Last year - 3500) - 0% Optional Convertible Debentures of Rs.10,000/- each	350.00	350.00
Hercules Real Estates and Projects Private Limited 200 (Last year - 200) - 0% Optional Convertible Debentures of Rs.10,000/- each	20.00	20.00
	<b>3,069.37</b>	<b>4,016.94</b>
Less: Provision for diminution in value of Investments in Debentures (refer note 42)	(1,648.00)	(1,648.00)
<b>(C)</b>	<b>1,421.37</b>	<b>2,368.94</b>
<b>IV. Investments in Mutual Funds carried at Fair value through Profit and Loss (Quoted)</b>		
15,176.50 units @ Rs. 33.098 per unit of Canara Robeco Saving Fund - Regular Growth (FRGP) (Last year 15,176.50 units @ Rs. 31.39 per unit)	5.02	4.76
<b>(D)</b>	5.02	4.76
<b>Total Non-Current Investments (A+B+C+D)</b>	<b>1,757.14</b>	<b>2,904.45</b>
Aggregate amount of quoted investments and market value	5.02	4.76
Aggregate amount of unquoted investments	16,166.39	17,113.96
Aggregate amount of impairment in value of investments	(14,414.27)	(14,214.27)
<b>Total amount of Non Current Investments</b>	<b>1,757.14</b>	<b>2,904.45</b>

## Note No. 6 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Non-Current - Unsecured</b>		
Security Deposit	33.95	63.58
	<b>33.95</b>	<b>63.58</b>

## Note No. 7 Other Assets (Non-Current)

(₹ in Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Capital Advances (refer note no. 38a)	10,366.39	10,321.29
(ii) Advances other than Capital Advances		
Inter Corporate Loans (refer note no. 38b)	3,389.09	3,434.19
Less : Impaired Loss Allowance	(1,739.54)	(892.27)
(iii) Others:		
- Advance Income Tax and Tax deducted at source	693.14	1,158.73
- Taxes Paid under Protest*	238.37	238.37
- Disputed Interest Paid to SEBI	6.79	6.79
Less: Provision for Interest Paid to SEBI	(6.79)	(6.79)
	<b>12,947.45</b>	<b>14,260.31</b>

\* Includes amount of Rs.150 Lakhs for which the company has received a favourable order from the ITAT (Income Tax Appellate Tribunal) and hence the amount is due as refund.



# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 8 Inventory

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
- Land (refer note no.32) *	6,451.62	6,551.13
- Flat	51.45	51.45
- Land	22,597.99	22,573.36
- Film Production Expenses - Work in Progress (refer note no.35)	4,955.64	4,894.43
- Consumables	-	29.13
	<b>34,056.70</b>	<b>34,099.50</b>
- (Valued at cost or net realised value which ever is less and as certified by the Management.)		
* Inventory includes carrying value of land amounting to Rs. 824.64 lakhs as at March 31, 2021 hypothecated with bank for credit facility availed by one of the step-down subsidiaries. (Refer note no. 33(e)(i))		

## Note No. 9 Trade Receivables (Current)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Considered Good - Secured	-	-
Considered Good - Unsecured	162.13	150.31
Significant increase in credit risk	-	-
Credit Impaired	566.78	567.09
Less: Provision for Doubtful Debtors	(566.78)	(567.09)
	<b>162.13</b>	<b>150.31</b>

## Note No. 10 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balance With Banks		
In Current Accounts	384.68	26.14
In Deposit Accounts	8.03	8.03
Cash on Hand	0.68	0.20
	<b>393.39</b>	<b>34.37</b>

## Note No. 11 Loans

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Loans receivables:		
Secured - Considered Good		
Advances for Film Finance (refer note no.34 & 37)	17,951.96	17,689.50
Less : Impaired Loss Allowance	(13,889.46)	(12,397.87)
Unsecured and Considered good		
Staff Advances	23.69	275.44
Unsecured, Considered Doubtful		
Advances others	924.46	1,122.90
Less : Provision for Doubtful advances	(875.79)	(1,051.78)
	<b>4,134.86</b>	<b>5,638.19</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 12 Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Interest accrued on Movie Finance	1,324.37	1,324.37
Interest accrued and Due on Staff Loans	11.86	129.42
Interest Accrued and Due on Fixed Deposit	0.53	0.53
Interest Accrued and due on debentures	-	22.82
Interest receivable on income tax refund	-	46.22
Advances for Others	216.50	16.22
Advance to Others- Credit Impaired	3,086.88	3,145.77
Less: Provision for Doubtful advances	(3,086.88)	(3,145.77)
	<b>1,553.26</b>	<b>1,539.58</b>

## Note No. 13 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Expenses	9.35	4.86
Prepaid Security Deposit	-	-
Advances to Suppliers	-	0.51
Goods and Service Tax Input tax Credit	112.74	94.30
	<b>122.09</b>	<b>99.67</b>

## Note No. 14A Equity Share Capital

### (a) Authorised, Issued, Subscribed and Paid-up share capital and par value per share

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised Share Capital</b>		
30,00,00,000 Equity Shares of Rs. 10/- each	30,000.00	30,000.00
<b>Issued, Subscribed and Paid Up</b>		
24,50,52,701 equity shares of Rs. 10 each	24,505.27	24,505.27
Less: 10,90,235 equity shares held by PVP Global Venture Private Limited	109.02	109.02
	<b>24,396.25</b>	<b>24,396.25</b>

### (b) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March 2021	As at 31st March 2020
Number of equity shares outstanding as at the beginning of the year	245,052,701	245,052,701
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares held by Subsidiary Company	(1,090,235)	(1,090,235)
<b>Number of equity shares outstanding as at the end of the year</b>	<b>243,962,466</b>	<b>243,962,466</b>

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

Name of shareholder	As at 31st March 2021		As at 31st March 2020	
	No of Shares held	% of holding	No of Shares held	% of holding
Platex Limited	132,612,766	54.12	132,612,766	54.12
SSG India Opportunities I Limited	24,505,270	10.00	24,505,270	10.00

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(d) 13,409,314 equity shares of Rs.10 each fully paid-up in cash has been issued to Platex Limited upon conversion of 27,355 FCDs of Rs.100,000 each at conversion price of Rs.204 per share in terms of the Scheme of Amalgamation during 2010-11.

(e) PVP Global Ventures Private Limited (PVPGVPL) holds 10,90,235 equity shares of PVP Ventures Limited, as these shares were acquired before the company became its subsidiary. However, PVP Global Ventures Private Limited (PVPGVPL) does not have any rights to vote at meetings of PVP Ventures Limited or any class of members thereof over these shares.

(f) Terms / Rights attached to Equity Shares (eg. Dividend rights, Voting Rights)

The company has only one class of equity shares having a par value of Rs 10/- Per share. Each Holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to the number of equity shares held by the shareholders.

(g) The company does not have any Bonus Shares Issued, Share issued for consideration other than Cash and Shares bought back during the period of five years immediately preceding the reporting date (31.03.2021).

(h) The company has not issued any shares under option other than the conversion of fully convertible debentures.

## Note No. 14B Other Equity

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Other Equity</b>		
- Capital Reserve	2,926.05	2,926.05
- Securities Premium	85,685.26	85,685.26
- General Reserve	0.44	0.44
- Statutory Reserve	263.09	263.09
- Debenture Redemption Reserve	150.00	150.00
- Retained Earnings	(1,13,003.66)	(1,07,520.69)
<b>Other Comprehensive Income</b>		
- Other Items of OCI	-	149.59
<b>Total</b>	<b>(23,978.82)</b>	<b>(18,346.26)</b>

## Note No. 15 Borrowings (Non-Current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
(a) Debentures (Refer note no. 33(a)) 1,215 (last year - 1215 nos.) non-convertible redeemable debentures of Rs.10 lakhs each (listed)	10,916.00	11,684.00
(b) Term Loans - From Banks (Refer note no. 33 (c)) Less: Current maturities (Refer note no. 21)	42.13 (8,863.65)	60.57 (6,592.51)
<b>Unsecured</b>		
(a) Debentures (Refer note no. 33(b)) 500 (last year - 500 nos). 14.5% Fully Convertible Debentures (FCDs) of Rs.1 lakh each.	5,000.00	5,000.00
(b) Loans from Companies (Refer note no. 33(d))	7,328.56	8,188.33
	<b>14,423.04</b>	<b>18,340.39</b>

## Note No. 16 Other Financial Liabilities (Non-Current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Non-Current</b>		
Lease Payable (Refer note no. 47)	147.30	247.09
	<b>147.30</b>	<b>247.09</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 17 Provisions (Non-Current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Non-Current</b>		
Provision for Employee Benefits - Gratuity	26.11	25.26
	<b>26.11</b>	<b>25.26</b>

## Note No. 18 Other Liabilities (Non-Current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposit - from		
- Developer	3,954.74	4,220.58
- Safe deposit Customers	-	32.01
	<b>3,954.74</b>	<b>4,252.59</b>

## Note No. 19 Borrowings (Current)

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
From Banks		
- Working Capital Loan	10,000.00	10,000.00
- Term Loan	-	35.01
<b>From Others</b>		
- Companies	1,306.69	-
<b>Unsecured - From</b>		
- Companies	721.28	723.71
- Others	-	175.00
	<b>12,027.97</b>	<b>10,933.72</b>

Refer Note No: 33(e) for security details, terms of repayment and other relevant details.

## Note No. 20 Trade Payables

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
- For services	154.56	213.79
	<b>154.56</b>	<b>213.79</b>

## Note No. 21 Other Financial Liabilities - Current

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of Long Term Debt	8,863.65	6,592.51
Current maturities of Lease obligation	64.63	69.57
Interest accrued but not due on Debentures	2,901.99	3,044.25
Interest accrued and due on Debentures	5,012.47	2,044.68
Interest accrued and due on Bank borrowings	10,855.38	6,789.09
Interest accrued and not due on borrowings	-	1,243.80
Employee related	45.14	48.20
Provision for Expenditure	1.62	97.75
	<b>27,744.88</b>	<b>19,929.85</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 22 Other Current Liabilities

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances received from Theatrical Exhibitors	-	25.00
Advance received for sale of land (inventory)	2,029.30	2,901.28
Retention money from suppliers	8.43	8.42
Income Received in Advance	-	15.96
Statutory Liabilities payable	862.42	853.39
Penalty	7.60	-
Other current liabilities (refer note no.50) *	2,145.41	2,145.41
* Penalty levied by Securities Appellate Tribunal (SAT)		
	<b>5,053.16</b>	<b>5,949.46</b>

## Note No. 23 Provisions - Current

(Rs in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits		
- Gratuity *	0.84	4.85
- Compensated Absences**	-	30.56
Provision against Standard Assets	61.38	61.38
Provision for Income tax (Net of tax deducted at source)	1,437.62	1,514.16
	<b>1,499.84</b>	<b>1,610.95</b>
<b>*Movement in Provision for Employee Benefits - Gratuity</b>		
Balance at the beginning of the year (Non-Current)	25.26	26.80
Balance at the beginning of the year (Current)	4.85	4.35
Sub-Total	30.11	31.15
Add: Provision made during the year	5.82	6.32
Less: Provision utilized / reversed during the year	8.98	7.36
<b>Balance at the end of the year</b>	<b>26.95</b>	<b>30.11</b>
<b>Non-Current</b>	<b>26.11</b>	<b>25.26</b>
<b>Current</b>	<b>0.84</b>	<b>4.85</b>
<b>**Movement in Provision for Employee Benefits - Compensated absences</b>		
Balance at the beginning of the year	30.56	39.27
Add: Provision made during the year	-	-
Less: Provision utilized / reversed during the year	30.56	8.71
<b>Balance at the end of the year</b>	<b>-</b>	<b>30.56</b>

## Note No. 24 Revenue from Operations

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income from Real Estate	1,753.10	2,900.45
Income from Movie Rights and Related Activities	1.43	1,241.16
Income from Film Financing Activity (refer note no.46)	-	206.47
Sale of Lockers	29.42	23.81
	<b>1,783.95</b>	<b>4,371.89</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 25 Other Income

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest income on Income tax refund	0.00	46.22
Profit on Sale of Assets	2.84	-
Liabilities Written up	111.85	7.34
Interest on Advances to Staff	0.79	-
Unwinding Interest Income	2.75	-
Fair Value through Profit and Loss	0.26	0.33
Miscellaneous Income	-	0.55
Interest Income	25.04	23.81
Excess provision on Employee Benefits Written back	45.92	2.05
	<b>189.45</b>	<b>80.30</b>

## Note No. 26 Cost of Land

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Land	6,551.13	6,701.06
Add: Reversal of Land cost due to IND AS 115	-	-
Add: Current year Expenses	-	-
	<b>6,551.13</b>	<b>6,701.06</b>
Less: Closing Stock of Land	6,451.62	6,551.13
	<b>99.51</b>	<b>149.93</b>

## Note No. 27 Cost of Film Production Expenses

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Film Production Expenses	4,894.43	5,066.25
Add: Current year Expenses	64.24	815.22
	<b>4,958.67</b>	<b>5,881.47</b>
Less: Closing Film Production Expenses	4,955.64	4,894.43
	<b>3.03</b>	<b>987.04</b>

## Note No. 28 Employee Benefit Expenses

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and wages	172.51	228.88
Contribution to Provident and other funds	1.24	2.05
Staff welfare	6.79	5.34
	<b>180.54</b>	<b>236.27</b>

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 29 Finance Cost

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest on		
- Debentures	2,750.33	2,877.50
- Vehicle Loans	4.52	6.12
- Lease liability (refer note no.47)	50.46	55.45
- Others	3,325.97	3,972.99
	<b>6,131.28</b>	<b>6,912.06</b>

## Note No. 30 Other Expenses

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Rent	0.78	0.55
Insurance		
- For Employees	-	3.83
- Assets	5.82	5.63
Power and Fuel	12.40	17.76
Printing and Stationery	2.75	9.08
Communication Expenses	7.29	9.40
Repairs and Maintenance		
- for vehicles	5.36	-
- for others	9.13	22.90
Books and Periodicals	0.06	0.08
Registration Charges	-	0.01
Security Charges	18.51	25.37
Rates and taxes	35.62	50.94
Payment to statutory auditors		
- for Statutory Audit	23.48	26.27
- for tax audit	0.50	5.00
- for certification charges **	2.00	6.00
Directors Sitting Fees	8.60	5.20
Legal, Professional and consultancy	54.43	97.91
Office Maintenance	22.93	30.24
Advertisement, publicity and sales promotion	5.08	5.82
Bank Charges	0.36	2.96
Business Promotion Expenses	0.16	1.42
Investor related expenses including Listing Fees	32.24	21.71
Travelling Expenses including Conveyance	34.80	121.62
Postage and Telegram	0.54	-
Membership fee	0.38	10.03
Bad debts Written Off	-	81.28
Loss on sale of asset	0.17	2.60
Assets Written off	-	0.04

(Contd.)

# Notes to the Consolidated Financial Statements for the year ended 31st March 2021

## Note No. 30 Other Expenses

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Miscellaneous expenses***	1.89	44.77
Provision for Diminution in Value of Investments	200.00	395.23
Provision for doubtful debts	870.97	-
Penalty	7.60	-
Locker rent	0.30	-
Fines and penalties	0.02	-
	<b>1,364.17</b>	<b>1,003.65</b>

## Note No. 31 Exceptional Items

(Rs in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Loss on sale of assets*	569.08	-
Liabilities written back	-	(87.44)
	<b>569.08</b>	<b>(87.44)</b>

\* During the financial year, one of the non-material, wholly owned subsidiaries, viz. Safetrunk Services Private Limited, Chennai which is in the business of locker services has discontinued its operations and sold the assets. The loss from the sale of assets is treated as an exceptional item

\*\* Current year - paid to the previous statutory auditors

\*\*\* under this head, there is no expenditure which is in excess of 1% of total revenue or Rs. 10 lakhs, whichever is higher



# Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

## NOTES TO ACCOUNTS

### 32. Development Agreement

The Group, being the Landowner has signed a Joint Development Agreement (JDA) on 6<sup>th</sup> April 2011 with the Developer, North Town Estates Pvt. Ltd for development of land of measuring 70 Acres (approx.) (1,259.90 grounds). The group received Security deposit of Rs. 10,000 lakhs in the year 2011 for the same.

Since there was delay in execution of the "North Town" project, the Group negotiated and modified the terms and conditions of the JDA vide Amendment dated 04th May 2016 whereby the Developer released 20 acres (343.69 Grounds) of undeveloped land back to the Landowner and the proportionate Security Deposit of Rs.3,161.13 lakhs was paid back to the developer.

Further, the group had authorised the developer to mortgage or offer as security, a share of the undivided share of land to the extent of Revenue Share of the Developer for the phases Chaitanya and Ekanta which are being developed, without causing any prejudice to the revenue share of Landowner.

The group entered into a Development Management Agreement (DMA) with M/s. Arihant Foundations and Housing Limited on 27th April 2017, to develop residential lay out with infrastructure and amenities for released 20 acres land.

### 33. Terms of Loans and repayment of borrowings

#### i) Non-Convertible Debentures – Rs.10,916 Lakhs

The Company was authorized to issue 1950 listed, (rated, secured), redeemable Non-Convertible Debentures (the NCDs) of Rs. 10 Lakhs each for an aggregate amount of Rs. 19,500 lakhs, out of which the company has issued Tranche A 386 Debentures aggregating to Rs. 3,860 lakhs and Tranche B of 829 Debentures aggregating to Rs. 8,290 lakhs which were, subscribed and paid up as per the debenture trust deed dated 16th June 2017, with remaining debentures unissued. Thus, out of aforesaid 1,950 Debentures of Rs. 10 lakhs each, the company allotted a total of 1,215 Debentures amounting to Rs. 12,150.00 lakhs.

The debentures and the debenture payments are secured by:

1. English mortgage of all the rights on piece and parcel of the land located at Door No.8/8D, Stephenson Road, Perambur, Chennai measuring 9.154 acres.
2. First Charge exclusive basis on all rights titles interest and benefits of the company in respect of the JDA, JDA Escrow Agreement, JDA Escrow Account and JDA Receivables excluding the outstanding security deposit.
3. A first ranking exclusive over security interest in debentures held by the company amounting to Rs.1,421.37 lakhs in Blaster Sports Ventures Private Limited.
4. Non-disposal undertaking of 100% shares of PVP Ventures Limited held by promoter group.
5. Personal Guarantee of Promoter (Mr. Prasad V Potluri).

Interest payable is 18%. The first payment is due on first anniversary and thereon payable on quarterly basis.

The debentures shall be redeemed at par value on the redemption date which payment will result in the principal amount of each debenture being reduced to zero.

The NCDs are issued for a period of 5 (Five years) from the date of issue of the NCDs. The Company shall redeem the debentures for Tranche A and Tranche B as follows:

Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in percent of paid up value) for the Tranche A Debenture	Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in per cent of face value) for Tranche B Debentures
30 June, 2018	6.250%	30 April, 2019	6.250%
30 September, 2018	6.250%	31 July, 2019	6.250%
31 December, 2018	6.250%	31 October, 2019	6.250%
31 March, 2019	6.250%	31 January, 2020	6.250%
30 June, 2019	6.250%	30 April, 2020	6.250%
30 September, 2019	6.250%	31 July, 2020	6.250%
31 December, 2019	6.250%	31 October, 2020	6.250%
31 March, 2020	6.250%	31 January, 2021	6.250%
30 June, 2020	6.250%	30 April, 2021	6.250%
30 September, 2020	6.250%	31 July, 2021	6.250%

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in percent of paid up value) for the Tranche A Debenture	Scheduled Redemption Date	Principal Amount to be redeemed cumulatively (in per cent of face value) for Tranche B Debentures
31 December, 2020	6.250%	31 October, 2021	6.250%
31 March, 2021	6.250%	31 January, 2022	6.250%
30 June, 2021	6.250%	30 April, 2022	6.250%
30 September, 2021	6.250%	31 July, 2022	6.250%
31 December, 2021	6.250%	31 October, 2022	6.250%
31 March, 2022	6.250%	31 January, 2023	6.250%

Whereas the repayment dues of Tranche A Debentures aggregating to Rs. 2,695.40 lakhs (out of which principal amounting to Rs. 1,661.00 lakhs and Interest amounting to Rs. 1034.40 lakhs) and Tranche B Debenture aggregating to Rs 7,881.82 lakhs (out of which principal amounting to Rs. 4,145.00 lakhs and Interest amounting to Rs. 3,736.82 lakhs) as on 31<sup>st</sup> March 2021 are still unpaid. The company had received extension letter dated 05<sup>th</sup> February 2020 from the Debenture holder extending the repayment of principal and interest amount which have fallen due till 31<sup>st</sup> March 2019 to be paid on or before 31<sup>st</sup> May 2020. The company was unable to pay the outstanding amount within the time limits, therefore, the company had requested and received the further extension from the debenture holder vide letter dated 23<sup>rd</sup> June 2020 to be paid on or before 31<sup>st</sup> August 2020. The company had requested and received further extension from debenture holder vide letter dated 21<sup>st</sup> August 2020 to be paid on or before 31<sup>st</sup> December 2020. The company was unable to pay the same and had again requested and received further extension from debenture holder vide letter dated 08<sup>th</sup> February 2021 to be paid on or before 30<sup>th</sup> June 2021. The debenture holder has also stipulated that, in the case of default of payment of principal repayment within the extended due date, default additional interest of 5% per annum (over and above the coupon) is to be paid on the defaulted amount from the original due date till the date of payment, which has not been provided in the financial statements in view of the Company's request for waiver of default interest is pending with the Debenture holder.

The company has been advised that the tax has to be deducted at source from interest payable on debentures (Payable to overseas debenture holders) only at the time of payment. Hence, no tax has been deducted at source during the year from out of interest provision made.

Under the circumstances, the company defaulted the redemption of debentures and repayment of interest which had fallen due on 30<sup>th</sup> September 2018, 31<sup>st</sup> December 2018, 31<sup>st</sup> March 2019, 30<sup>th</sup> September, 2019, 31<sup>st</sup> December 2019 and 31<sup>st</sup> March, 2020 beyond the time permitted under section 164(2)(b) of the Companies Act, 2013. However, as per the legal advice, management is of the view that even though the repayment has not been made within the period contemplated in the above referred section, the default has been ratified by the debenture holder with retrospective effect by virtue of which the management contents that the disqualification of directors as per the above provisions has not been attracted.

### ii) Fully Convertible Debentures (FCD) – Rs.5,000.00 lakhs

The Company has allotted 13,289 convertible or redeemable debentures of Rs.1,00,000 each convertible into preference and/or equity shares as per scheme of amalgamation sanctioned by Honourable the High Court of Madras between the Company and PVP Ventures Private Limited dated 25<sup>th</sup> April 2008.

The Debentures are convertible into redeemable preference shares and/or equity shares on or before 22nd January 2011. Each Debenture shall be converted into newly issued equity or redeemable preference shares in the share capital of the Company. As per the scheme of amalgamation sanctioned by the Honourable High Court of Madras, the debenture holders are entitled to 65,14,215 fully paid-up equity shares. As per subscription agreement the company shall not transfer or encumber the entire shareholding in its Subsidiaries i.e. Cyberabad City Projects Private Limited (Now known as New Cyberabad City Projects Private Limited) and PVP Enterprises Limited (Now known as PVP Global Ventures Private Limited). Irrevocable and unconditional guarantee is given by Mr. Prasad V. Potluri (Promoter) to the debenture holder in connection with the Debentures till the Shares allotted upon conversion have been irrevocably and unconditionally repaid or discharged in full.

The Debentures holder has extended the conversion/redemption option until 31<sup>st</sup> March 2029 by letter dated 4<sup>th</sup> December 2017.

The Debentures will bear interest at the rate of 14.5% per annum. Interest on Debentures is payable semi-annually in arrears on 15th June and 15th December each year. Interest shall accrue on the overdue sum at the rate of [2.00] % per annum over and above the Interest Rate (the Default Interest Rate) from the due date.

Further, the company has received the extension letter from the Debenture holder for the repayment of Interest for the period from April 2017 to March 2019 amounting to Rs. 1,449 lakhs till 15<sup>th</sup> December 2019 and further it is extended till 31<sup>st</sup> May 2020 vide letter dated 05<sup>th</sup> February 2020. The company was unable to pay the outstanding amount within the time limits,

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

therefore, the company has requested and received the further extension from the debenture holder vide letter dated 23rd June 2020 to be paid on or before 31st August 2020. The company had requested and received further extension from debenture holder vide letter dated 21st August 2020 to be paid on or before 31st December 2020. The company was unable to pay the same and had again requested and received further extension from debenture holder vide letter dated 08th February 2021 to be paid on or before 30th June 2021. Further, the debenture holder has stipulated that, in the case of default of payment of interest amount within the extended due date, default additional interest of 2% (over and above the coupon) is to be paid on the defaulted amount from the original due date to till the date of payment.

During the year, the company has accounted finance cost of Rs.725.00 lakhs and as on reporting period, the outstanding principal amount is Rs.5,000 lakhs. Total Outstanding as on 31st March 2021 is Rs.7,901.99 lakhs.

The company has advised that the tax has to be deducted at source from interest payable on debentures (payable to overseas debenture holders) only at the time of payment. Hence no tax has been deducted at source during the year from out of interest provision made.

Under the circumstances, the company defaulted the repayment of interest which had fallen due on 15<sup>th</sup> December 2017, 15<sup>th</sup> June 2018, 15<sup>th</sup> December 2018, 15<sup>th</sup> June 2019 beyond the time permitted under section 164(2)(b) of the Companies Act, 2013. However, as per the legal advice, management is of the view that even though the repayment has not been made within the period contemplated in the above referred section, the default has been ratified by the debenture holder with retrospective effect by virtue of which the management contents that the disqualification of directors as per the above provisions has not been attracted.

### iii) From Bank – Vehicle Loans

Vehicle Loans are secured by way of Hypothecation of respective vehicles and the interest varies from 8% to 10.91% p.a. and repayable in 1 to 4 years in monthly instalments.

### iv) From Company

The group has availed Indian rupee loan from a company which is repayable based on the availability of funds and the interest rate charged at 12% on daily average balances.

### v) Current Borrowings

- a) The group has availed Indian rupee term loan from bank amounting to Rs.10,000 lakhs and interest rate charged is One Year MCLR +4.80% i.e., 14.15% (Floating) which is repayable on demand. Loan is secured by a charge on the loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to group companies and personal guarantee of Mr. Prasad V.Potluri and Smt. Jhansi Sureddi.

As on 31st March 2021, the group is overdue for a period of two years towards principal and interest amounting to Rs.20,855.38 lakhs to the bank.

- b) The group has availed loan of Rs. 1,306.69 lakhs at interest rate of 12% p.a. secured by a second charge on the Loans made to film finance and other related activities, and personally guaranteed by a Director of the step-down subsidiary, repayable on demand. During the year, the lender company has waived off the interest.
- c) The Group has availed unsecured loan from a company amounting to Rs. 422.03 lakhs with interest rate of 18% p.a. repayable on demand. During the year, the lender company has waived off the interest. The balance unsecured loans of Rs. 299.25 lakhs represent interest free loans availed from companies, repayable on demand.

- 34. The current assets of the group include loans and advances amounting to Rs.3,895.29 lakhs (including interest amount of Rs. 1324.37 lakhs) made by one of its subsidiaries viz. Picturehouse Media Limited (PHML). The Board is confident of realizing the value at which they are carried notwithstanding the period of outstanding. The Board does not foresee any erosion in carrying value.
- 35. Film production-in-progress amounting to Rs. 4,955.64 lakhs mainly comprise of advance to artistes and co-producers. The company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly, the company is confident of realizing the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value.
- 36. PVP Capital Limited ('PVPCL') a Wholly Owned Subsidiary Company, has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.20,012.67 lakhs (including interest accrued) as per the books of accounts as on 31st March 2021. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same.

Further, the company had received communication letter from the Reserve Bank of India (RBI) letter dated 4<sup>th</sup> February, 2021, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March 2021, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

Management asserts that no adjustment to the carrying value of investments of Rs.2,521.74 lakhs is required as it is confident, that, by considering the aspects like recovery from the borrowers and other resources to bring in additional cash flows will meet its obligations.

37. PVP Capital Limited has a book debt of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's customers did not service the interest and loan repayment. Consequently, the company has made a cumulative provision of Rs. 13,889.46 lakhs for the expected credit loss. Management asserts that no adjustment to the carrying value is required as it is confident of recovery from the borrowers.
- 38a. PVP Global Ventures Private Limited has advanced a sum of Rs. 10,366.39 lakhs (Previous Year – Rs. 10,321.29 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 48 months against which these advances are paid off, failing the completion of the land parcel, the Company may demand payment of the advance and shall not be obliged to acquire the land parcel from these parties. Previous year figures are regrouped to conform with current year's classification.
- 38b. PVP Global Ventures Private Limited also advanced a sum of Rs. 3,389.09 lakhs (PY: Rs. 3,434.19 lakhs) as intercorporate loan on long term basis. The Company has made a provision of Rs. 1,739.54 lakhs (Previous Year - Rs. 892.27 lakhs) on this advance. However, the Management is confident of its recovery.
39. In respect of PVP Global Ventures Private Limited, The Enforcement Directorate had provisionally attached the land measuring 28 Acres and 8 Guntas of the Group in connection with the redemption of the investments in Mahalakshmi Energy Ventures Private Limited by the Group. The said attachment order has been confirmed by the Adjudicating Authority of the Enforcement Directorate. The Subsidiary Company has filed an appeal against the said Order. Based on the expert advice, the Subsidiary Company is confident of succeeding before the appellate authority.
40. In respect of PVP Global Ventures Private Limited, the Group holds investments of 13,096.99 lakhs in Jagati Publications Limited. The transfer of share certificates for the said investments in the name of the Company is still pending. Since, the original certificates are seized by Central Board of Investigation (CBI) during search operation in connection with quid pro quo case relating to investments in Jagati Publications Limited by the group, the same couldn't be delivered along with the share transfer form. The CBI couldn't establish any quid pro quo against the group and therefore the Company as part of the group is not charge sheeted. However, the CBI is yet to return the original share certificates. Pending the original share certificates from CBI, the share certificates are still registered in the name of group companies.

Due to the ongoing case filed by CBI, the High Court of Telangana is monitoring the day-to-day operations of the Investee Company and transfer of shares of the Investee Company has kept in abeyance until the final Order is issued. In the backdrop of these facts, the valuation of the equity shares of Jagati Publication has been done by the Company by considering the profitability of the Investee Company and the general rate of return on equity by other listed publishing companies after being adjusted for factors affecting the Investee Company. Based on the availability of information, the Board has estimated the provision of Rs.12,766.27 lakhs as at 31<sup>st</sup> March 2021.

41. The Company had issued 707, Zero Percent Compulsory Convertible Debentures of Rs.1,00,000/- each ("CCDs") to Platex Limited, the ultimate holding company. These CCDs are mandatorily convertible into equity shares of the Company either upon occurrence of a triggering 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. The Debentures were supposed to be converted by June 16, 2019.

Platex Limited requested to continue and not to convert the CCDs as per the agreement and further requested to extend the term of conversion of other next five years in view of expecting perpetual returns for our investments vide letter dated 15<sup>th</sup> May 2019. Therefore, the company has extended the conversion period till 16<sup>th</sup> June 2024.

42. During the financial year 2009-10, the Group had invested a sum of Rs. 1,648.00 Lakhs in 0% Optionally Convertible Debentures (OCDs) of Companies, which are engaged in developing real estate projects. These Optionally Convertible Debentures (OCDs) are convertible within 10 years into fully paid equity shares of these investee companies at price to be determined at the time of conversion. The Board has reviewed these investments and as a matter of prudence provision for the entire value has been made in the earlier years.
43. **Material uncertainty related to Going Concern:** The Group was unable to honour its obligations towards repayment of principal and interest dues to its debenture holders and bank, further the company has obligations pertaining to operations includes unpaid creditors and statutory dues and incurring continuous losses. However, the group has taken various initiatives in relation to saving cost and optimizing revenue management opportunities. Further, the group is planning to launch residential lay out with infrastructure and amenities in 20 acres of land by considering the current situation of real estate sector. Therefore, the group is confident of meeting all the obligations by way of time bound monetization of its assets and receipts of various claims, which will result in improved operating performance. Notwithstanding the dependence on these material uncertain events, the group continues to prepare the consolidated financial results on a Going Concern basis.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

- 44. COVID -19 Impact on Business Operations:** The spread of COVID-19 has impacted global economic activity as has been witnessed in several countries. There have been severe disruptions in businesses in India during the Lockdown period. The Group has assessed recoverability and carrying value of assets comprising property, plant and equipment, trade receivables, inventory, loans and advances and investments at balance sheet date. Based on the assessment by the management the net carrying values of the said assets will be recovered at values stated and there is no change in its ability to continue as Going Concern. The Group evaluated the internal controls with reference to financial statements which have found to be operating effectively given that there has been no dilution of such controls due to factors caused by COVID-19 situation.
- 45. Micro, Small and Medium Enterprises (MSME):** The group 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.
- 46.** During the financial year 2019-20 the company has accounted interest on movie finance amounting to Rs. 206.47 Lakhs till 30<sup>th</sup> June, 2019 on accrual basis whereas in the current year, the interest income is NIL.

### 47. Leases

- a) Effective 01st April 2019, the group had adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing as on 01st April 2019 using the modified retrospective approach.
- b) **Details of the Right to use of Asset held by the Group as follows:**

Particulars	Building (Rs. in Lakhs)
Right to use of Asset as on commencement date of Ind AS 116 i.e., 01 <sup>st</sup> April, 2019	-
Addition	279.38
Deletion	-
Depreciation	(84.76)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>194.62</b>
Addition	208.01
Deletion	(145.49)
Depreciation	(62.20)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>194.94</b>

### c) Movement in Lease liability

Particulars	Building (Rs. in Lakhs)
Lease Liability recognised as on commencement date of Ind AS 116 i.e., 01 <sup>st</sup> April, 2019	-
Addition	419.94
Finance Cost Accrued	55.45
Payment of Lease Liability	(158.73)
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>316.66</b>
Addition	208.01
Deletion	145.49
Finance Cost Accrued	50.46
Payment of Lease Liability	(116.79)
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>312.85</b>

### d) Breakup of Current and Non-Current lease liabilities (Rs. In lakhs)

Particulars	As on 31 Mar 2021	As on 31 Mar 2020
	<b>Building</b>	<b>Building</b>
Non-Current Liability	147.30	247.09
Current Liability	64.63	69.57

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

e) Incremental borrowing rate applied to lease liabilities is 14.12% p.a (average).

f) The expenses relating to short term leases accounted and leases of low value assets during the year is **NIL**.

g) **Non cash financing and investing activities**

(Rs. In lakhs)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
Non cash financing and investing activities - Acquisition of Right-of-use Asset	208.01	279.38

### 48. Contingent Liabilities

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>1. Claims against the company not acknowledged as debts</b>		
- Income Tax	2,077.63	1,893.13
- Service Tax	1,911.07	1,793.50
- Non-Compliance of SEBI Regulations	-	20.56
- Others	-	38.44
<b>Total</b>	<b>3988.70</b>	<b>3,745.63</b>

### 49. Corporate Social Responsibility (CSR):

Gross amount required to be spent during the year is NIL (last year Rs. NIL)

Average Net Profits of the Group for the last three financial years are negative. Hence the company is not required to incur Corporate Social Responsibility expenditure during the year. The unspent amount of Rs 178.30 lakhs as on 31<sup>st</sup> March 2021 pertains to preceeding financial years. The same will be spent by the group in future years.

### 50. Other Commitments

PVP Global Ventures Private Limited (PVP Global), Mr. Prasad V Potluri and PVP Ventures Limited (PVP) received Orders from Adjudicating Officer dated 27th March 2015 for non-compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992. PVP Global, Mr. Prasad V Potluri and PVP filed appeals before the Securities Appellate Tribunal (SAT) vide Appeal No. 356 and 357 of 2015 challenging the orders of Adjudicating Officer.

SAT vide order dated 20th June, 2018 reduced the penalty of Rs. 1,530 lakhs on Mr. Prasad V Potluri to Rs. 515 Lakhs upheld the penalties of Rs. 1,500 lakhs imposed on PVP Global and Rs.15 Lakhs on PVP. Hence, miscellaneous Applications No.180 and 181 dt. 2nd July 2018 were filed before the Honourable SAT for staying its order for which the SAT granted 6 weeks' time to appeal with Honourable Supreme Court. Also on 6th July 2018, as Security, the appellants deposited Original Title deeds of Land valuing more than Rs.3000 lakhs, held by its subsidiaries for realization and payment of the aforesaid demand. Civil appeal No.9092 dated 16th August 2018, was filed before the Honourable Supreme Court, which was dismissed on 14th September 2018, and the SAT Orders were upheld. A demand was raised by the Recovery Officer, SEBI, Vide No.1770, 1771 and 1772 dated 26th October 2018 with Interest from, 27th March 2015, the date of order from Adjudicating Officer. The appellants filed review petitions before the Honorable SEBI/SAT, Mumbai on 10th November 2018 and 21st November 2018, stating technical and legal reasons, that the final SAT order was dated 20th June 2018, whereas the Interest was calculated since 2015 and the orders dated 27th March 2015 and 28th June 2018 are silent on levy of interest.

SEBI initiated attachment proceedings on 19th November, 2018 of the Demat Accounts and Bank accounts of the three appellants. The holding company, PVP Ventures Limited paid Rs.15 lakhs and disputed interest of Rs. 6.46 lakhs on 07th December 2018 and the freezing of accounts was lifted for PVP Ventures Limited. SAT dismissed the company's appeal on interest in April 2019. The Company has appealed with the Honorable Supreme Court and received Stay Order dated 12th July 2019 for payment of Interest. The appellants have written to SEBI, requesting to keep the order on record and to keep the recovery proceedings in abeyance.

Further, Arete Real Estate Developers Private Limited and Expressions Real Estate Private Limited subsidiaries of PVP Global, have provided land parcel as security deposit towards penalty amount against the SEBI's penalty order for Insider Trading. PVP Global has not remitted the pending dues till date.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### 51. Earnings per Share (EPS)

Particulars	Refer	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
Nominal Value of Equity Shares (Rs. per Share)	A	10	10
Weighted average number of Equity Shares outstanding during the period	B	24,39,62,466	24,39,62,466
Profit/(Loss) after Taxes After Exceptional items (Rs. in Lakhs)	C	(8,062.13)	(9,335.48)
Earnings Per Share – Basic and diluted (in Rs)	C <sup>*</sup> 100000/B	<b>(3.30)</b>	<b>(3.83)</b>

### 52. Deferred Tax

Deferred tax asset has not been recognised in respect of the following items:

(Rs. in Lakhs)

Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	33,644.34	8,747.53	27,847.67	8,109.24
Unabsorbed Business loss	5,087.44	1,322.74	2,882.25	839.31
Effect of expenses not allowed for tax purpose	89.37	23.24	71.43	20.80
<b>Total</b>	<b>38,821.15</b>	<b>10,093.50</b>	<b>30,801.35</b>	<b>8,969.35</b>

Considering the principles of prudence, the above deferred tax asset has not been recognised as at 31<sup>st</sup> March 2021.

### 53. Income tax Expenses

Income tax expense in the statement of profit and loss comprises:

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Current Tax	-	269.88
Adjustments of current year tax of prior years	-	0.57
MAT Credit	-	-
<b>Net Tax</b>	<b>-</b>	<b>270.45</b>
MAT Credit reversals / (for earlier years)	-	-
Deferred Tax	-	-
<b>Total Income tax expenses</b>	<b>-</b>	<b>270.45</b>

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Profit/(Loss) from the operation before income tax expenditure	<b>(8,062.13)</b>	<b>(9,065.03)</b>
Adjustment on account of Ind AS 115	-	601.59
Add: Intercompany eliminations	-	44.30
Net Profit/(Loss) from the operation before income tax expenditure	<b>(8,062.13)</b>	<b>(9,710.92)</b>
Applicable Income tax rate	26.00%	29.12%
Tax effect at statutory income tax rate	(2,096.15)	(2,827.82)
Effect of expenses not allowed for tax purpose	1070.97	499.03
Effect of unrecognised deferred tax	(2,092.70)	3,290.71
Income tax related to earlier years	-	0.57
Differences in tax expenses on account of different tax rates when compared to previous year	-	(692.03)
MAT Credit reversals / (for earlier years)	-	-
<b>Income tax expenses charged to the statement of profit and loss</b>	<b>-</b>	<b>270.45</b>



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### 54. Disclosure in Accordance with Ind AS -24 Related Party Transactions

#### a) List of Related parties where control exists:

Name of the person/ group	Nature of Relationship
Platex Limited (PL), Maurities	Holding Company
Mr. Prasad V.Potluri, Chairman and Managing Director	Key Managerial Persons
Mrs. Sai Padma Potluri, Executive Director (Resigned with effect from 01.06.2020)	
Mr. N S Kumar, Independent Director	
Mr. Sohrab Chinoy Kersasp, Independent Director	
Mrs. P J Bhavani, Non-Executive Woman Director (Appointed with effect from 31.07.2020)	
Mr. Nandakumar Subburaman, Independent Director	
Mr. Subramanian Parameswaran, Executive Director	
Mrs. Jhansi Sureddi	Relatives to Key Managerial Persons
Bruma Properties Private Limited, Delhi (BPPL)	Enterprises where KMP exercises significant influence
PV Potluri Ventures LLP, Vijayawada	
BVR Malls Private Limited, Vijayawada	A private company in which a director's relative is a member or director.

#### b) Summary of transactions with the related parties during the year ended 31<sup>st</sup> March 2021 (Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
<b>Interest Expenses</b>		
PV Potluri Ventures LLP, Vijayawada	-	2.90
BVR Malls Private Limited, Vijayawada	1.15	-
<b>Loans and advances repaid/(received)</b>		
PV Potluri Ventures LLP, Vijayawada	175.00	(175.00)
BVR Malls Private Limited, Vijayawada	(106.00)	-
<b>Provision for advances</b>		
Bruma Properties Private Limited, Delhi (BPPL)	-	35.00
<b>Sitting Fees paid to Directors</b>		
Mr. N S Kumar	2.65	2.15
Mr. Sohrab Chinoy	2.65	2.45
Mr. Nanda Kumar	1.50	0.40
Mrs. P J Bhavani	1.80	0.20
<b>Sundry Creditors Written off</b>		
PV Potluri Ventures LLP, Vijayawada	2.90	-



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### c) Summary of Outstanding balances with the related parties as on 31st March 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Loans and advances payable to Others</b>		
PV Potluri Ventures LLP, Vijayawada	-	175.00
BVR Malls Private Limited, Vijayawada	106.97 *	-
<b>Interest payable to Others</b>		
PV Potluri Ventures LLP, Vijayawada	-	2.90
<b>Loans and Advances</b>		
Bruma Properties Private Limited, Delhi	35.00	35.00
<b>Corporate Guarantees granted/(received)</b>		
PVP Capital Limited, Chennai	20,000.00	20,000.00
Safetrunk Services Private Limited, Chennai	-	35.01

\*Net of Tax Deducted at Source

Related Party as per Companies Act, 2013

Name of the person	Nature of Relationship
Mr. T. N. Madan, Chief Financial Officer (Resigned with effect from 31.07.2020)	Key Managerial Personnel
Mr. Kathikeyan Shanmugam, Chief Financial Officer (Joined with effect from 25.10.2020)	
Mr. A Praveen Kumar, Chief Financial Officer *	
Mr. Challa Siva Prasad Naga, Executive Director *	
Mr. Ajay Babu Chigurupati, Executive Director *	
Mr. Poonamallee Jayavelu Bhavani, Executive Director *	
Mr. Vamsi Sesha Sai Ivaturi, Company Secretary*	
Mrs. K. Ramyanka Yadav, Company Secretary	

\*Key Managerial Personnel of subsidiary companies.

Compensation of Key Managerial Personnel of the Group

(Rs. in Lakhs)

Particulars	31st March, 2021	31st March, 2020
Remuneration to Key Managerial Personnel	65.62	56.80

### 55. Gratuity and other post-employment benefit plans

Defined Benefit Plan - Gratuity

(Rs. in Lakhs)

Gratuity	31st March, 2021	31st March, 2020
Gratuity Plan:		
Defined benefit obligation (DBO)	(26.95)	(30.12)
Fair value of plan assets (FVA)	-	-
<b>Net defined benefit (asset)/liability</b>	<b>(26.95)</b>	<b>(30.12)</b>

The following table summarizes the components of net benefit expense recognised in the statement of profit or loss/OCI and amounts recognised in the balance sheet for defined benefit plans/obligations:

Net employee benefit expense (recognized in Employee Cost) for the year ended 31st March 2021

(Rs. in lakhs)

Particulars	2020-21	2019-20
Current Service Cost	3.76	3.94
Net Interest Cost	2.06	2.38
	<b>5.82</b>	<b>6.32</b>

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

Amount recognised in Other Comprehensive Income for the year ended 31<sup>st</sup> March 2021

(Rs. in lakhs)

Particulars	2020-21	2019-20
Actuarial (gain)/ loss on obligations	(7.01)	(7.36)

Changes in the present value of the defined benefit obligation for the year ended 31<sup>st</sup> March 2021 are as follows: (Rs. in lakhs)

Particulars	2020-21	2019-20
<b>Opening defined obligation</b>	30.11	31.15
Current service cost	3.76	3.94
Interest cost	2.06	2.38
Actuarial (gain)/ loss - experience	-	-
Actuarial (gain)/ loss - demographic & Financial assumptions	(7.01)	(7.36)
Benefits paid	(1.97)	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation</b>	<b>26.95</b>	<b>30.11</b>

The principal assumptions used in determining gratuity obligation for the Group's plans are shown below:

Particulars	Gratuity	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Discount rate (in %)	6.80%	6.80%
Salary Escalation (in %)	7.50%	7.50%

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

**A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below: (Rs. in Lakhs)**

Particulars	31-Mar-21		31-Mar-20	
<b>Defined Benefit Obligation (Base)</b>	<b>26.95</b>		<b>30.12</b>	
<b>(% change compared to base due to sensitivity)</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>
Discount Rate (- / + 1%)	29.59	24.71	33.11	27.58
Salary Growth Rate (- / + 1%)	22.30	30.62	24.70	34.63
Attrition Rate (- / + 1%)	25.21	28.51	28.12	31.90
Mortality Rate (- / + 1%)	26.91	26.98	30.07	30.16

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Within the next 12 months (next annual reporting period)	4.48	5.10

### Compensated Absences

The employees of the Group are entitled to compensate absence. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date based on the Actuarial certificate.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### Defined Contribution Plan

Eligible employees receive benefits under the provident fund which is a defined contribution plan. These contributions are made to the funds administered and managed by the Government of India. The group recognised Rs. 1.24 lakhs (previous year 2.05 lakhs) for provident fund contribution in the statement of profit or loss account.

### 56. Disclosure of interest in Material Subsidiaries

Name of the Company	Principal place of business	Principal activities of Business
Picturehouse Media Limited	India	Movie production and related activities
PVP Capital Limited	India	Movie financing activities
New Cyberabad City Projects Private Limited	India	Real Estate Activities

#### In respect of Picturehouse Media Limited and PVP Capital Limited:

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Ownership interest held by the Group	49.55%	49.55%
Non-Controlling interest	50.45%	50.45%

PVP Ventures Ltd along with its subsidiaries has less than a majority of voting rights (49.55%) in Picturehouse Media Ltd but still holds control over the management. Hence the Financial statements of Picturehouse Media Ltd along with its subsidiaries are consolidated while preparing the Consolidated Financial Statements as on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 in compliance with Sec. 2(87) of the Companies Act, 2013.

#### In respect of New Cyberabad City Projects Private Limited:

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Ownership interest held by the Group	80.99%	80.99%
Non-Controlling interest	19.01%	19.01%

#### The summarized separate financial information of subsidiary is as below:

(Rs. in Lakhs.)

Balance Sheet	Picturehouse Media Limited		PVP Capital Limited		New Cyberabad City Projects Limited	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Non-Current Assets	2,705.77	3,065.19	104.39	104.98	0.50	0.61
Current Assets	9,023.67	8,893.33	3,266.85	4,773.26	25,314.12	25,317.55
<b>Total Assets</b>	<b>11,729.44</b>	<b>11,958.52</b>	<b>3,371.24</b>	<b>4,878.24</b>	<b>25,314.62</b>	<b>25,318.16</b>
Non-Current Liabilities	7,150.93	7,093.58	-	1.22	-	-
Current Liabilities	3,469.70	3,672.17	22,503.49	19,292.87	6.77	7.70
<b>Total Liabilities</b>	<b>10,620.63</b>	<b>10,765.75</b>	<b>22,503.49</b>	<b>19,294.09</b>	<b>6.77</b>	<b>7.70</b>
<b>Total Equity</b>	<b>1,108.81</b>	<b>1,192.77</b>	<b>(19,132.25)</b>	<b>(14,415.86)</b>	<b>25,307.85</b>	<b>25,310.46</b>

#### Profit & Loss account:

(Rs. in Lakhs.)

Particulars	Picturehouse Media Limited		PVP Capital Limited		New Cyberabad City Projects Limited	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Total Income	138.79	1,501.38	-	-	-	-
Profit /(Loss) for the year	(85.26)	(652.59)	(4,717.72)	(6,050.47)	(2.60)	(5.84)
Other comprehensive income	1.30	5.64	1.33	(0.52)	-	-
Total comprehensive Income	(83.96)	(646.95)	(4,716.39)	(6,050.98)	(2.60)	(5.84)

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### Summarized Cash flow:

(Rs. in Lakhs.)

Particulars	Picturehouse Media Limited		PVP Capital Limited		New Cyberabad City Projects Limited	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Cash flows from Operating activities	495.15	496.87	(0.62)	(37.12)	(0.08)	(6.13)
Cash flows from Investing activities	(259.63)	765.42	-	19.00	-	-
Cash flows from Financing activities	(223.36)	(1,265.36)	0.62	18.24	-	6.13
Net Increase in Cash and Cash Equivalents	12.16	(3.07)	-	0.12	(0.08)	-

### 57. Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

#### Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

(Rs. in Lakhs)

Particulars	Amount as on 31 <sup>st</sup> March, 2021	Amount as on 31 <sup>st</sup> March, 2020
<b>Financial assets:</b>		
<b>Fair value through Profit or Loss</b>		
Investments	335.74	535.48
<b>Amortised Cost</b>		
Investments carried at cost	1,421.40	2,368.97
Cash and cash equivalents	0.68	0.20
Bank balance other than cash and cash equivalents	392.71	34.17
Trade Receivables	162.13	150.31
Loans	4,134.86	5,638.19
Other Financial Assets	1,587.21	1,603.16
<b>Financial liabilities:</b>		
<b>Fair value through Profit or Loss</b>		
Borrowings	-	145.26
<b>Amortised Cost</b>		
Borrowings	26,451.01	29,274.11
Trade Payables	154.56	213.79
Other Financial Liabilities	27,892.18	20,176.94

The carrying amounts of all financial assets and liabilities appearing in the financial statements are reasonable approximation of fair values.

### 58. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Group is exposed to various financial risks such as market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

#### i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. The financial instruments affected by market risk includes investment, has been discussed below.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

### a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's Long-Term borrowings of the company bearing floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The group's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

#### Sensitivity Analysis

An Increase / Decrease of 100 basis points in interest rate at the end of the reporting period of the variable financial instruments would (Decrease) / Increase profit after taxation for the year by the amounts shown below. This analysis assumes all other remain constant.

#### Profit / (Loss) After taxation

(Rs. in Lakhs.)

Particulars	31st March 2021	31st March 2020
<b>Financial liabilities – Borrowings</b>		
<b>+1% (100 basis points)</b>	74.00	74.00
<b>-1% (100 basis points)</b>	(74.00)	(74.00)

There are no hedging instruments to mitigate this risk.

### b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group does not undertake transactions denominated in foreign currencies, consequently group activities does not expose to exchange rate fluctuations arise.

### c) Equity price risk

The group's non-listed equity securities are not susceptible to market price risk arising from uncertainties about future values of the investment securities. Hence the group does not bear significant exposure to Equity price risk in investment in subsidiaries.

Further, the Holding Company has offered its immovable property as a collateral to the said lender bank.

## ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily for trade receivables, loans and other financial assets).

### a. Credit risk related to corporate guarantee furnished:

The Holding Company along with one of its subsidiaries have furnished a corporate guarantee of Rs 10,000 lakhs each to its step-down subsidiary company, PVP Capital Limited ('PVPCL'). PVPCL has not adhered to repayment schedule of principal and interest due to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs. 20,012.67 lakhs (including interest accrued) as per the books of accounts as on 31st March 2021. The bank has taken symbolic possession of secured, immovable property of the Group Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings have become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. The Board asserts that no provision is required to be made to the carrying value as it is confident that the payment obligation by PVPCL will be met in due course.

### b. Credit risk related to financial services business:

The following table sets out information about credit quality of loan assets measured at amortized cost based on the months past due information. The amount represents gross carrying amount.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	FY 2020-21	FY 2019-20
<b>Gross carrying value of loan assets</b>		
Neither past due nor impaired	-	-
Past Due but not impaired	-	-
1 month past due	-	-
2-3 months past due	15,381.04	15,381.04
Impaired (above 3 months)	(13,889.46)	(12,397.87)
<b>Total Gross carrying value as at reporting date</b>	<b>1,491.58</b>	<b>2,983.18</b>

### c. Credit risk related to Financial Loans:

Financial services business has a comprehensive framework for monitoring credit quality of its film production based on the status of the film production. Repayment by film producers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

The Group applies the simplified approach for providing expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all loans & advances. The group has computed expected credit losses based on the current information of the borrowers and status of the film production.

The Group has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

The nature of collateral security is in the form of personal guarantee of the borrowers. Further this personal guarantee backed up with the list of immovable properties held by the borrower with the original title deeds.

The maximum exposure to credit risk of loans and advances is their carrying amount. The maximum exposure is before considering the effect of mitigation through collateral security.

### d. Trade Receivables

The group's credit risk with regard to trade receivables has a high degree of risk diversification, due to large number of projects of varying sizes and types with numerous different customer categories.

Customer credit risk is managed by requiring customers to pay advances through progress billings done by developer before transfer of ownership, therefore substantially eliminating the group's credit risk in respect.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit provision is required and also the group does not have any significant concentration of credit risk.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

### iii) Liquidity risk

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The group's management is responsible for liquidity, funding as well as settlement management. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of Financial Liabilities:

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>As at 31<sup>st</sup> March 2021</b>					
Borrowings (including current maturities of long-term debt)	721.28	20,170.34	14,423.04	-	<b>35,314.66</b>
Trade payables	-	154.56	-	-	<b>154.56</b>
Interest accrued	-	18,769.84	-	-	<b>18,769.84</b>
Other Financial Liabilities	-	258.69	-	-	<b>258.69</b>
<b>Total</b>	<b>721.28</b>	<b>39,353.43</b>	<b>14,423.04</b>	<b>-</b>	<b>54,497.75</b>

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>As at 31<sup>st</sup> March 2020</b>					
Borrowings	898.71	16,627.52	18,340.39	-	<b>35,866.62</b>
Trade payables	-	213.79	-	-	<b>213.79</b>
Interest accrued	-	13,121.82	-	-	<b>13,121.82</b>
Other Financial Liabilities	-	462.61	-	-	<b>462.61</b>
<b>Total</b>	<b>898.71</b>	<b>30,425.74</b>	<b>18,340.39</b>	<b>-</b>	<b>49,664.84</b>

### 59. Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20

(Rs. in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
<b>Total</b>	<b>Stage 1</b>	-	-	-	-	-
	<b>Stage 2</b>	-	-	-	-	-
	<b>Stage 3</b>	15,381.04	13,889.46	1,491.58	6,152.42	7,737.04
	<b>Total</b>	<b>15,381.04</b>	<b>13,889.46</b>	<b>1,491.58</b>	<b>6,152.42</b>	<b>7,737.04</b>

### 60. Capital Management

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The group strives to safeguard its ability to continue as a going concern so that they can maximize returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimize cost of capital.

The Group monitors capital using the debt-equity ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings less cash and cash equivalents, Bank balance other than cash and cash equivalents.

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Borrowings	35,314.66	35,866.62
Cash and Cash Equivalents	(0.68)	(0.20)
Bank Balances other than Cash and Cash Equivalents	(392.71)	(34.17)
<b>Net Debt</b>	<b>34,921.27</b>	<b>35,832.25</b>
<b>Total Equity</b>	<b>(8,448.15)</b>	<b>(393.03)</b>
<b>Debt Equity Ratio</b>	<b>(4.13)</b>	<b>(91.17)</b>

### 61. Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group is engaged in Real Estate/Urban Infrastructure, Media Production and Movie Financing related activities. These are reportable segments for the year. Entire Operations of the Group is only in domestic hence reportable geographical segment does not arise. Segment wise income, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost-plus margins. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

Ind AS 108 establishes standards for the way that public business enterprise report information about operating segments and related disclosures.

The segment revenue, segment expenses, segment assets and segment liabilities include respective amounts identifiable to each of the segment and also amounts allocated on a reasonable basis.

The Group has sold all assets relating to rendering of locker services during the year and has discontinued the said operation. Refer note no.31 for details.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

(Rs. in lakhs)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>1 Segment Revenue</b>		
Real Estate	1,805.18	2,933.88
Media Related Activities	138.80	1,501.38
Locker Services	29.42	23.81
Unallocable Income	-	-
<b>Total</b>	<b>1,973.40</b>	<b>4,459.07</b>
Less: Intersegment revenue	-	6.88
<b>Net sales/Income from Operations</b>	<b>1,973.40</b>	<b>4,452.19</b>
<b>2 Segment profit/(loss) before finance and tax</b>		
Real Estate	1,272.25	1,979.26
Movie Related Activities	(1,498.13)	(2,773.74)
Locker Services	(81.37)	(154.85)
Unallocable Expenditure	(1,054.52)	(1,291.08)
<b>Segment profit/(loss) before finance and tax</b>	<b>(1,361.77)</b>	<b>(2,240.40)</b>
Less Finance Cost	6,131.28	6,912.06
<b>Total Loss before exceptional items</b>	<b>(7,493.05)</b>	<b>(9,152.47)</b>
Exceptional Items	569.08	(87.44)
<b>Total Loss before tax</b>	<b>(8,062.13)</b>	<b>(9,065.03)</b>



## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

(Rs. in Lakhs.)

Particulars		31st March 2021	31st March 2020
<b>3</b>	<b>Segment Assets</b>		
	Real Estate	119,910.46	120,546.82
	Movie Related Activities	15,100.85	16,836.95
	Locker Services	-	1,060.18
	Unallocable Assets	12,656.76	13,394.90
	Eliminations	(91,084.62)	(91,008.32)
	<b>Total</b>	<b>56,583.45</b>	<b>61,110.07</b>
<b>4</b>	<b>Segment Liabilities</b>		
	Real Estate	32,147.14	31,337.94
	Movie Related Activities	33,132.41	30,067.64
	Locker Services	55.59	482.60
	Unallocable Assets	2,481.58	2,457.34
	Eliminations	(2,785.12)	(2,842.42)
	<b>Total</b>	<b>65,031.60</b>	<b>61,503.10</b>

Locker services has been discontinued during the year. Refer note no. 31 for details.

### 62. Financial information pursuant to Schedule III of Companies Act, 2013:

(Rs. in Lakhs.)

Name of the Entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As at 31 <sup>st</sup> March 2021		Year ended 31 <sup>st</sup> March 2021		Year ended 31 <sup>st</sup> March 2021		Year ended 31 <sup>st</sup> March 2021	
Holding Company								
PVP Ventures Limited	5187%	58,323.85	26%	(1,475.38)	77%	4.38	26%	(1,471.00)
Indian Subsidiaries								
PVP Media Ventures Private limited	-6%	(67.17)	0%	(24.30)	0%	-	0%	(24.30)
Safetrunk Services Private Limited	-5%	(55.59)	12%	(671.13)	0%	-	12%	(671.13)
PVP Corporate Parks Private Limited	151%	1,692.48	0%	(0.60)	0%	-	0%	(0.60)
New Cyberabad City Projects Private Limited	2251%	25,307.85	0%	(2.60)	0%	-	0%	(2.60)
PVP Global Ventures Private Limited	911%	10,242.35	19%	(1,062.99)	0%	-	19%	(1,062.99)
Adobe Realtors Private Limited	62%	698.52	0%	(0.14)	0%	-	0%	(0.14)
Arete Real Estate Developers Pvt Ltd	85%	954.26	0%	(24.25)	0%	-	0%	(24.25)
Expression Real Estate Pvt Ltd	70%	786.42	0%	(5.96)	0%	-	0%	(5.96)
Picturehouse Media Limited	99%	1,108.81	2%	(85.26)	23%	1.30	1%	(83.96)
PVP Capital Limited	-1702%	(19,132.25)	84%	(4,717.72)	23%	1.33	84%	(4,716.39)
PVP Cinema Private Limited	-1%	(8.11)	0%	(0.60)	0%	-	0%	(0.60)
Non-Controlling Interest	851%	9,572.58	-43%	(2,423.89)	23%	1.33	-43%	(2,422.56)
Inter-Company Eliminations	-7853%	-88,299.57	0%	8.80	-46%	-2.66	0%	8.80
Total	100.00%	1,124.43	100%	(5,638.24)	100%	5.68	100%	(5632.56)

## Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31st March 2021

63. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. Nil.

### 64. Disclosure on Accounting for revenue from customers in accordance with Ind AS 115

#### Disaggregated revenue information

##### A Type of goods and service

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
(a) Income from Real Estate	1,753.10	2,900.45
(b) Income from Movie Rights and Related Activities	1.43	1,241.16
(c) Income from Film Financing Activity	-	206.47
(d) Sale of Lockers	29.42	23.81
<b>Total Operating Revenue</b>	<b>1,783.95</b>	<b>4,371.89</b>
In India	1,783.95	4,371.89
Outside India	-	-

##### B Timing of revenue recognition

Particulars	For the year ended 31 <sup>st</sup> March, 2021		For the year ended 31 <sup>st</sup> March, 2020	
	At a point of time	Over a period of time	At a point of time	Over a period of time
Sale of products and other operating income	1,783.96	Nil	4,371.89	Nil

##### C Contract Balances

(Rs. in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Contract Assets	Nil	Nil
Contract Liabilities	Nil	Nil

##### D Revenue recognised in relation to contract liabilities

(Rs. in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue recognised in relation to contract liabilities	Nil	Nil

##### E Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Revenue at contracted prices	Nil	Nil
Revenue from contract with customers	Nil	Nil
Difference	Nil	Nil

##### F Unsatisfied or partially satisfied performance obligation

Particulars	For the year ended 31 <sup>st</sup> March, 2021	For the year ended 31 <sup>st</sup> March, 2020
Unsatisfied or partially satisfied performance obligation	Nil	Nil

As per our report of even date.

**For Sundaram & Srinivasan**

Chartered Accountants  
Firm Reg No. 0042075

Sd/-  
**Venkatasubramanian.S**  
Partner  
Membership No. 219238

Place : Chennai  
Date : June 22, 2021

**For and on behalf of the Board of Directors**

Sd/-  
**PRASAD V. POTLURI**  
Chairman & Managing Director  
(DIN: 00179175)  
Place : Hyderabad  
Date : June 22, 2021

Sd/-  
**Karthikeyan Shanmugam**  
Chief Financial Officer

Place : Chennai  
Date : June 22, 2021

Sd/-  
**N.S. KUMAR**  
Director  
(DIN: 00552519)  
Place : Chennai  
Date : June 22, 2021  
  
Sd/-  
**K Ramyanka Yadhav**  
Company Secretary  
ACS Membership NO. A45483  
Place : Hyderabad  
Date : June 22, 2021



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