

UNLOCKING POTENTIAL UNLEASHING VALUE



FORWARD-LOOKING STATEMENT

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, unless and otherwise there is a Regulatory/Statutory requirement.

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AT PVP VENTURES LIMITED,

WE HAVE SELECTED TO OWN BUSINESSES OR COMPANIES ENGAGED IN SCALABLE AND CONSUMPTION-DRIVEN OPPORTUNITIES.

OUR BUSINESS PRESENCE IS SPREAD OVER URBAN INFRASTRUCTURE DEVELOPMENT, MEDIA & ENTERTAINMENT AND SPECIAL SITUATIONS.

WE ARE OPTIMISTIC THAT THIS PRESENCE WILL TRANSLATE INTO ATTRACTIVE NUMBERS THAT HAVE BEGUN TO EMERGE DURING 2012-13 AND WILL BECOME INCREASINGLY VISIBLE FROM 2013-14 ONWARDS.





AT PVP VENTURES LIMITED

POSITIONING

PVP Ventures Limited (formerly SSI Limited) was acquired in the year 2007 (incorporated in the year 1991) and listed since 1995. PVP Ventures has majority ownerships in subsidiary companies and as a result, it is a business entity in its own right and a holding company as well. The businesses of the parent company and subsidiaries are managed by separate teams of professionals.

BUSINESS

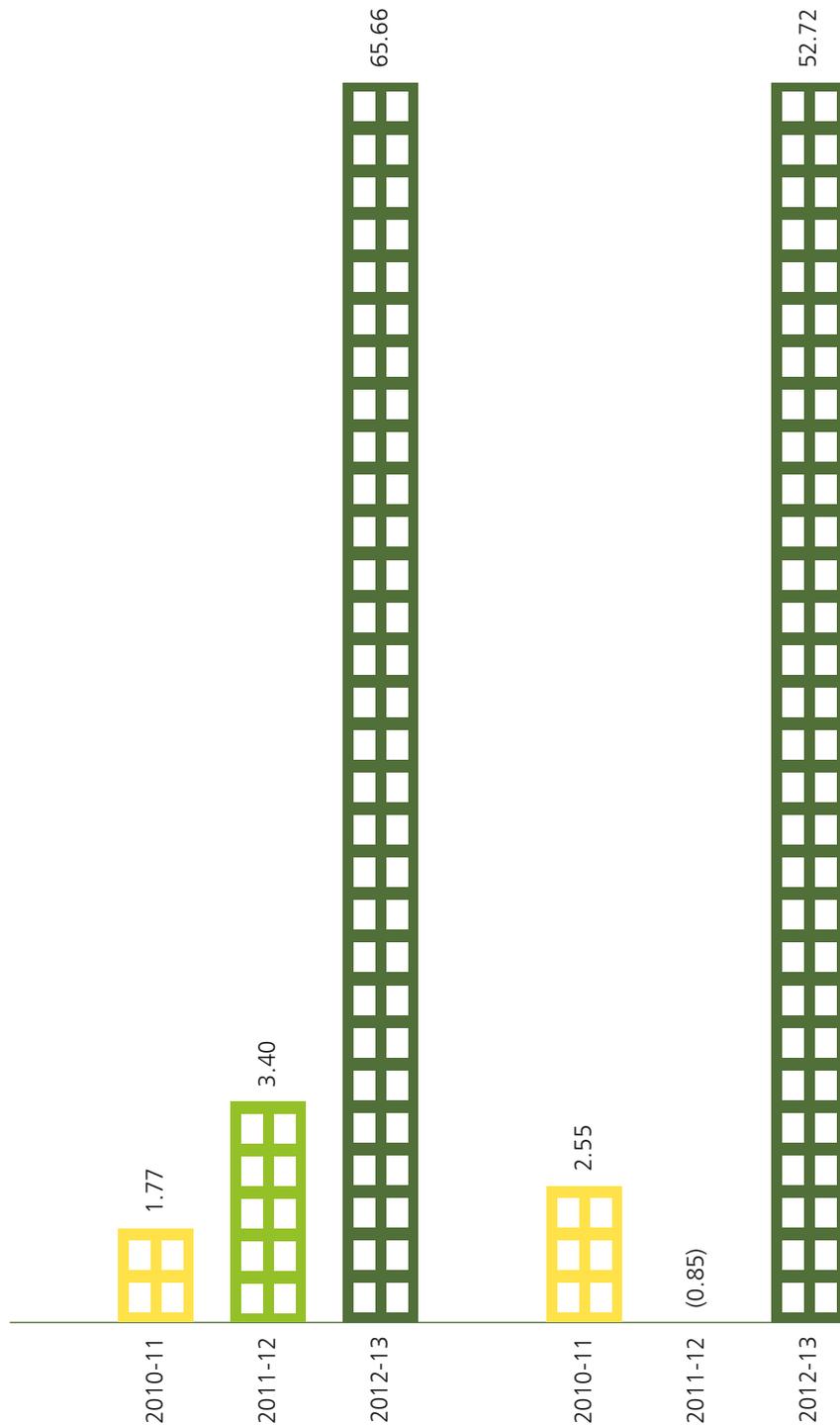
PVP Ventures operates in three segments – urban infrastructure, media & entertainment and special situations.

- In the real estate/urban infrastructure segment, PVP signed a joint development agreement with Unitech and Arihant Housing to build an integrated 70-acre township called North Town in Chennai.
- In the sports consumption space, the Company acquired the Hyderabad franchisee of the Indian Badminton League (IBL) and christened it as the Hyderabad Hot Shots.
- In the special situations vertical, we are continuously evaluating opportunities to build a portfolio of scalable and stable businesses driven by the burgeoning Indian consumption story.

PRESENCE

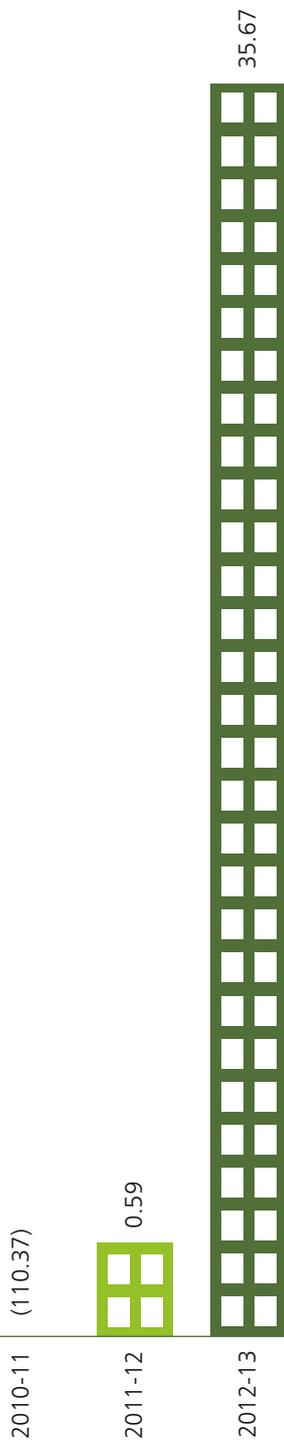
The acquired company possessed a 70-acre land parcel - popularly known as Binny Mills - in the heart of Chennai. The Company also owns 135 acres of prime land in Shamshabad, Hyderabad, through its subsidiary and affiliate companies.

PERFORMANCE HIGHLIGHTS



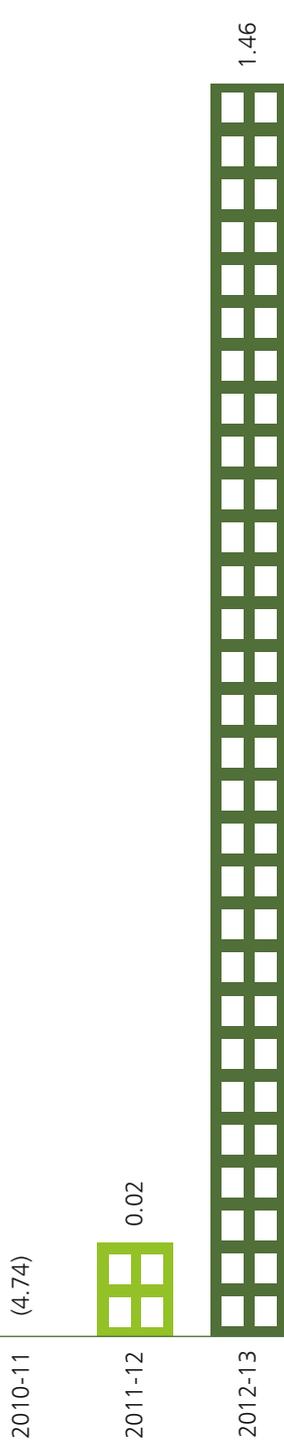
TURNOVER (GROSS) (₹ cr)
 ... Leading to a growing turnover derived from higher apartment sales...

OPERATING PROFIT (₹ cr)
 ... And value-led growth has led to a rising operating profit



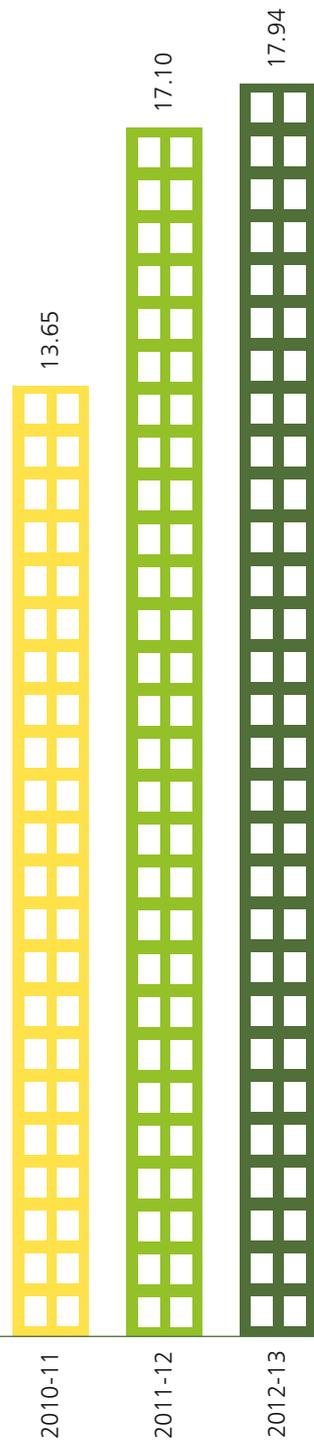
POST-TAX PROFIT (₹ cr)

... And rising net profit, especially driven by zero interest outflow



EARNINGS PER SHARE (₹)

Our growing ability to earn and ploughback surpluses has strengthened our earnings...



BOOK VALUE PER SHARE (₹)

... And enhancing our valuation potential reflected in an attractively placed per share book value



MESSAGE FROM THE CHAIRMAN

Dear Shareholders

PVP VENTURES LIMITED IS POSITIONED AS A COMPANY WITH A DIFFERENCE.

Over the last couple of decades, there has been an explosion in sectoral opportunities in India. PVP Ventures has been created with the express objective of owning and managing multiple businesses with attractive potential.

India is passing through a consumption-driven inflection point. For decades, India was an under-consumed nation across most products and commodities. However, over the last couple of decades, the sweep of reform and globalisation has increased disposable personal incomes, which in turn has triggered an increase in consumer spending. Within the broad gamut of products and services, there are niches marked by a large unmet demand coupled with a supply side inadequacy that is expected to sustain.

The objective for PVP Ventures is to be engaged in these spaces through businesses that are relatively de-risked on the one hand and enjoy attractively sustainable prospects on the other.

HOLDING COMPANY

PVP Ventures has selected to position itself as a holding company with interests in businesses that are riding the Indian consumption wave, enjoy specific competitive advantages that liberate it from being 'me too', are not hostaged by technology obsolescence and are not engaged in areas marked by regulatory control.

The very nature of a holding company implies that PVP Ventures will keep incrementally adding to its portfolio of businesses, utilise promoter and cross-Group competencies to grow the various businesses and ensure that corporate growth translates into attractive value in the hands of its owner. These companies will be managed through a balance of control and delegation that makes it possible to reconcile enunciated strategic direction with operational empowerment.

REVIEW

The last three years were challenging for the Company for various reasons.

However, I am pleased to state that the Company's performance surged during the financial year under review with net profit (standalone) rising from ₹19.26 lakh in 2011-12 to ₹3,629.12 lakh in 2012-13. I am optimistic that given the Company's fundamentals, the improvement will accelerate. Besides, this performance comes during a challenging period for the national economy and only vindicates the robustness of the Company's business model.

BUSINESS-WISE PERFORMANCE

Urban infrastructure development: The Company entered this business in 2007 and I am pleased to report that due to limited inventory in the Perambur (North Town location) region of Chennai, realisations strengthened in 2012-13. We have already begun to generate revenues from the sale of five of 10 planned phases of the project.

OUTLOOK

The outlook for the Company continues to be optimistic.

The solid performance reported during 2012-13 is expected to sustain, marked by improved success in both businesses.

On account of Chennai enjoying a high proportion of purchases by end-users (more than 80 percent), the buoyancy in real estate realisations in the North Town area is expected to sustain. Of the 23 proposed townships (spread across more than 25 acres) in Chennai, North Town is the only development in Northern and Central Chennai. The Company will progressively encash its total apartment inventory at the right junctures and enhance realisations.

As a result of the optimistic foundation in both businesses, the Company expects to report a healthy and growing topline in the ensuing years, thereby enhancing value for its stakeholders.

With my best regards,

Prasad V. Potluri
Chairman & Managing Director

OUR STRATEGIC BLUEPRINT

OUR VISION IS TO EMERGE AS THE BERKSHIRE HATHWAY OF INDIA THROUGH THE ACQUISITION AND 'PART-MANAGEMENT' OF ATTRACTIVE BUSINESSES.

The Company was created with the vision to inspire stakeholder trust through credible action.

Until not too long ago, urban infrastructure development companies generally delivered projects beyond their scheduled completion without any corresponding compensation. Besides, companies generally delivered properties with significant deviations from what had been promised. A large part of the transaction would be conducted in cash with no corresponding legal provision. The terms of trade would largely be skewed in favour of the seller.

PVP Ventures has conducted its business in a manner that its brand is completely trusted by prospective customers in terms of quality, timely and promised delivery, trusted by vendors and collaborators for its financial strength, trusted by stakeholders for extensive compliances and trusted by shareholders for business sustainability.

The result is that we expect to strengthen our brand, grow our volumes, protect margins, increase surpluses, share a part of this surplus with stakeholders and redeploy the rest into the business with the objective to create a larger and more vigorous virtuous cycle, thereby enhancing value for all the Company's stakeholders.

CONSERVATISM

PVP believes that sustainable growth can be achieved through predictable revenue/profit growth marked by low

debt and business returns (as defined by return on employed capital and return on equity) higher than the industry average.

SUSTAINABLE GROWTH

PVP has built its business around long-term sustainability. As per the Chennai Metropolitan Authority's estimates, the demand for housing is pegged at over two lakh units for the region out of a total of five lakh for the entire city by 2015. The Company believes that Chennai holds out attractive prospects for sustainable growth well into the long-term. The management recognises that it will endure as a business corporation if there is adequate value left on the table for vendors, customers, employees and ourselves. A focus on the long-term guides our decision-making process soon which will reflect in the Company's growing revenues and profits.

MULTI-FORMAT DEVELOPMENT

PVP's business model is significantly weighted towards residential project development marked by the phased sale of properties. However, going ahead, the Company may diversify its revenue mix towards commercial, retail and hospitality properties and may explore options beyond urban infrastructure development.

PARTNERSHIPS

PVP will leverage its cash assets to own land but associate with builders

to engage in construction, drawing on the partner's insight in being able to co-develop properties and leverage the power of its brand, construction experience, sales channels, pricing insight and timely completion. Case in point: our prestigious North Town project in Chennai is being jointly developed by Arihant Housing and Unitech. As far as the 135-acre Hyderabad land bank is concerned, we intend to explore opportunities at an appropriate time.

CORPORATISED

PVP selected to corporatise with speed in what is still largely an unorganised sector in India. The business is marked by a long-term approach to business, efficient governance strategies and management of business variables through a process-driven approach. The Company represents a functional balance of promoter-owners and professional managers. This structure is marked by strategic decision-making and hands-on business review by the promoters which is complemented through day-to-day management by professionals across all functions.

COMPETENCE

PVP recognises that true competitiveness in the infrastructure industry can be derived from efficient project execution, which reconciles knowledge, capability, equipment, processes, standard operating procedures and information technology. These help deliver projects faster than

the industry average. As a first-time entrant, the Company selected to partner with companies possessing deep competencies without requiring PVP to reinvent the wheel.

NICHE

PVP selected to grow its presence in a premium affordable segment, which is not only growing, but under-served and attractively remunerative.

BALANCE

PVP maintains a balance between projects that were engaged in completing on the one hand and a pipeline of new launches. This balance

makes it possible for us to engage in a reasonable number of infrastructure projects without stretching our managerial bandwidth on the one hand and report an attractive cash flow from new launches on the other.

GEARING

PVP prefers to work at the lower end of the gearing spectrum with a conservative approach towards growing our debt book. The result is that even though 2012-13 was one of the most challenging that the industry encountered in years, PVP emerged debt-free.

OPPORTUNITY-DRIVEN

PVP identified sports consumption as a growing sector considering the sector's visibility and branding opportunity. PVP bid and acquired the Hyderabad franchisee of the Indian Badminton League (IBL).

INORGANIC

PVP is in the process of creating a 'special situations' division that will seek to acquire companies with mature businesses and stable cash flows across various sectors. One such sector that we are carefully appraising is the renewable energy sector that presents attractive entry-level opportunities.





FIRST. LARGEST.

THE TWO WORDS THAT BEST DESCRIBE
OUR NORTH TOWN PROJECT IN CHENNAI.

The largest township within a 10 kms radius of the main city of Chennai with

6,700

planned apartments units



At PVP Ventures, our foresight in acquiring large land assets is bearing fruit through our North Town project, the first project in our portfolio. This project is emerging as the largest residential township in the heart of Chennai.

Some of the key features of this distinctive project comprise the following:

- The largest township within a 10 kms radius of the main city of Chennai with 6,700 planned apartment units
- Located within 5 kms from Chennai's central railway station and 6 kms from Parry's Corner – Esplanade (central business district)
- Three 60-ft wide roads - arterial Cooks Road, Perambur Barracks Road and De Mellows Road - connect the site
- One-of-a-kind integrated township in Central Chennai comprising modern amenities including a swimming pool, gymnasium and multi-purpose hall

An aerial, top-down view of a landscape. On the right side, there is a dense green forest. A road with a guardrail runs along the edge of the forest. Below the road, a bridge spans across a body of water. In the foreground, a city with various buildings and structures is visible. The text 'UNLOCKING POTENTIAL UNLEASHING VALUE' is overlaid on the left side of the image, with 'UNLOCKING' and 'UNLEASHING' in dark blue and 'POTENTIAL' and 'VALUE' in yellow. A vertical bar on the left side of the text is also yellow and dark blue.

**UNLOCKING
POTENTIAL
UNLEASHING
VALUE**



At PVP Ventures, we entered into a timely joint development agreement with Arihant Housing and Unitech.

OUR EFFORTS IN THE REAL ESTATE BUSINESS CAN BE PRECISELY CONCISED IN THESE FOUR WORDS.

At PVP Ventures, we entered into a timely joint development agreement with Arihant Housing and Unitech.

This arrangement represents a win-win scenario: minimal expenditure outflow for the Company on the one hand while enabling maximum monetisation of its land bank on the other, leading to rising cash flows on the back of a strengthening base rate and higher apartment sales.



BUILT ON STRONG FOUNDATIONS

LAND BANK

The Company owns a substantial land bank spread across Chennai (70 acres) and Hyderabad (135 acres). This land bank is largely contiguous, low-cost and strategically located.

LAND BANK MONETISATION

Almost 20% of the Company's land bank is under development, representing its ability to progressively monetise assets. The Company is waiting for the opportune time to launch projects across the rest of its land bank.

PRIDE-ENHANCING PROJECT

The Company is engaged in the development of Chennai's largest residential township project (North Town) spread across 70 acres and almost 6,700 units in the heart of the city.

APPRECIATION

The base selling price of the North Town project witnessed a sharp capital appreciation from ₹3,000 psf in 2009 to ₹6,200 psf in 2012, validating robust customer demand leading to attractive project economics.

ZERO DEBT STATUS

The Company has zero external debt, a big asset in a cash-intensive business and a cash-starved economy.

CAPABILITIES

The Company is run by a team of professionally-qualified and experienced individuals with a cumulative 15 years of experience in the infrastructure sector.

CONTROLS

The Company invested in an appropriate internal control system for business processes pertaining to the efficiency of operations, financial reporting and statutory compliance. Its internal auditors conducted quarterly audits encompassing processes including statutory compliances, payroll, purchase, fixed assets, among others and in doing so, ensured an adherence with policies and systems while mitigating operational and other risks.



RISK MANAGEMENT

SLOWDOWN RISKS

The fortunes of the Indian real estate industry are closely related with economic growth. The current slowdown might have a long-term impact on the sector.

Mitigation

The fundamental rationale for the real estate sector is rooted in the fact that it provides shelter and also enables an individual to own a productive asset. With India already running short of housing by 18-20 million units, the sector holds attractive long-term potential. This is reflected in the fact that the country's realty market is expected to surge from USD 55.6 billion in 2010 to USD 126 billion by 2015 (JLL estimates). Realty demand is expected to grow at a 19 percent CAGR between 2010 and 2014 with Tier-I and Tier-II cities projected to account for about 40 percent of the cumulative demand. This trend will be catalysed by the fact that India's urban population is expected to cross 590 million by 2030.

PERCEPTION RISKS

The Company has only one project under development.

Mitigation

PVP Ventures is engaged in Central

Chennai's largest residential township project spread across 70 acres, comprising 10 phases of about 6,700 apartments and located proximate to most major city landmarks. The sheer size and scale of the project warrants that the Company focuses on a single project at this point of time.

In addition, the Company is also the owner of a 135-acre land parcel in Hyderabad, which it expects to monetise over the coming years. The management is also seriously evaluating other areas like renewable energy.

JOINT DEVELOPMENT AGREEMENT RISKS

The collaboration between PVP Ventures and the other two developers might be unfairly balanced.

Mitigation

The Joint Development Agreement (JDA) protects the interest of all concerned parties, with PVP Ventures bringing its land as equity and the others bearing the development, construction, marketing and selling costs.

FUNDING RISKS

The real estate business is capital-intensive and the Company might not be able to mobilise adequate funds.

Mitigation

PVP Ventures is protected by the JDA, which governs the other development partners to bear the construction and marketing costs, thereby minimising the need for large-scale funds mobilisation by the Company. Besides, the Company also has zero debt on its books, significantly enhancing its ability to raise institutional finance as and when required. Moreover, free cash flows progressively accrued through phase-wise project completion and sales will enable the Company for onward deployment of funds.

LEGAL RISKS

The Company's land bank may be exposed to prospective litigation.

Mitigation

The Company's land bank possesses clear titles with proper documentation and records, minimising the possibility of prospective litigation. The Company also enjoys the services of legal experts and other consultants, enabling it to remain proactive while responding to legal risks.

INDUSTRY REVIEW

INDIAN REAL ESTATE INDUSTRY

The year 2012 witnessed subdued interest in real estate in India due to the economic slowdown, unabated inflation leading to tightening home budgets and high interest rates, among others. Moreover, industry-side economic comprising disputes related to land acquisitions, delays in regulatory approvals, archaic land rules and slow project clearances depressed aggregate demand.

The economic growth (GDP) progressions for the country were set at narrow ranges and revised progressively lower.

However the good news is that the government is creating an enabling policy environment and providing a much-needed thrust to infrastructure creation, especially following the formation and launch of the National Investment Board in 2012 and the

raising of the tax deduction limit for first-time home buyers in Budget 2013-14. This resulted in a claw-back for the Indian realty industry. Playing catchup with the unmet demand in the mid-and lower housing segments, estimated at about 18-20 million units, represents huge potential for the real estate players. Moreover, prudent and timely inventory releases by the real estate industry translated into price stabilisation in the country at about 10-15 percent in 2012 from peak levels.

RESIDENTIAL REALTY

Residential demand showed signs of stability in 2012, with y-o-y growth in home loans from banks showing an uptrend from May 2012 onwards. Economic weakness continued with the associated apprehension of employee downsizing and salary freezes, which adversely affected consumer sentiments. A persistent adverse outlook, high

inflation and high interest rates reduced affordability, coupled with high property prices, continue to hinder improvements in demand.

However it is interesting to note that operating margins, which steadily declined to 30% in FY12 from about 55% in FY08, remained at around the same level during 2012. That this was possible despite increases in construction and resource costs, signals a probable return towards stability.

GROWTH DRIVER — EASING LIQUIDITY PRESSURES

The trend of most reputed real estates companies reporting positive free cash flows in FY12 continued to be evident in the first half of FY13. Apart from stable demand, other efforts to improve liquidity included such strategies as land bank development and non-core asset monetisation, exercising prudence

Bank credit growth to housing



(Source: RBI)

in new launches and adopting the JV route to develop projects with a view to collaborate on competencies and manage expenses better.

GROWTH DRIVER — GROWING BANK CREDIT TO HOUSING

The fundamental need for a shelter and the growing importance to have a productive asset on the books drove individuals to acquire their own homes. This was clearly evident in the past when bank credit to the housing sector demonstrated a secular upward trend from just under 8 percent of total disbursements in November 2009 to over 16 percent by November 2012. This trend is expected to continue on account of stabilising interest rates, outlook of moderation of interest rates by the RBI on account of easing inflationary pressures and availability of credit with a relatively lower level of documentation and processing.

GROWTH DRIVER — ROBUST SOUTH INDIAN REALTY DEMAND

According to the National Housing Board, the South Indian real estate industry reported one of the highest growth rates in property appreciation on the back of new and innovative launches, prosperity driven by relatively new-age businesses including telecom, IT and retail and a higher propensity to take bank/institutional credit for funding the acquisition.

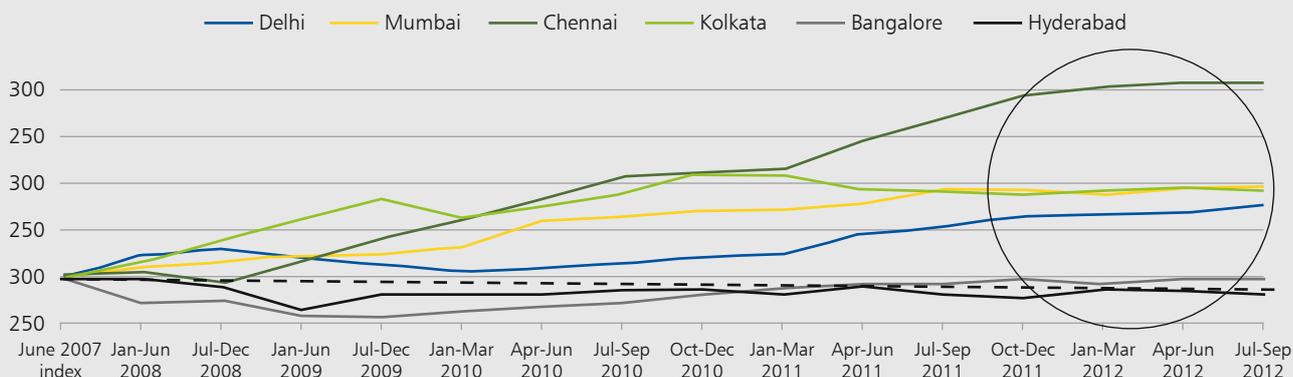
OUTLOOK

According to Jones Long LaSalle (JLL), residential property prices breached affordability limits in most cities across India, requiring the attention of developers to strike a balance between costs and prices to catalyse sales. This is especially critical in the face of the fact that obtaining the 57-odd permissions to begin construction of a project can

take as much as two years and during this time, the cost of acquisition or even just holding the land for a project can potentially rise. With a view to secure bookings and cash flows, there is a growing trend of developers offering buyers attractive pre-launch benefits in a bid to also accelerate sales in the initial months following a launch.

According to a JLL study, although most of the cities of India will see an increase in residential launches in 2013, the Southern cities of Bangalore and Chennai are expected to witness a decline in launches compared to 2012. It is important to note that these two cities recorded a historical high in terms of the number of launches during 2012. This is expected to result in price stabilisation and consolidation, progressively leading to the next wave of growth.

Residential price index



Note: Oct-Dec 2011 and Jan-Mar 2012 are updates over last publication

(Source: NHB)

PROFILE OF OUR BOARD OF DIRECTORS

MR. PRASAD V. POTLURI, *Chairman & Managing Director*

A serial entrepreneur in the global outsourcing services space; he has successfully built and sold three 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 Procon Inc, Albion Orion Company LLC, Irevna Ltd. Procon Inc.

which was acquired by RCM Technologies in 1998. Albion Orion Company LLC was acquired by SSI in 2000 for ₹292 cr, 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. Potluri is also the Promoter & Managing Director of Picturehouse Media Limited.

MR. R. NAGARAJAN, *Independent Non-Executive Director*

A retired banker with an illustrious career spanning 50 years, he has held various positions at SBI, India's premier banking organisation. He retired in 1998 as the Chief General Manager of SBI, Chennai Circle.

Education-wise, he holds B. Com and CAIIB degrees. Mr. Nagarajan is the Chairman of the Audit Committee and Member of Remuneration Committee and Investor's Grievance Committee of PVP.

MR. N. S. KUMAR, *Independent Non-Executive Director*

A hardcore technocrat, he holds over 40 years of experience in information technology and project management and is aware of best business practices. Also, he has been actively involved in multiple international assignments and managed several initiatives in project development and quality assurances. He

earned his MS in Computer Science Operations from Ohio University, USA and BE from the Guindy College of Engineering, Chennai. Mr. Kumar is a member of the Audit Committee and Chairman of Remuneration Committee and Investor's Grievance Committee of PVP.

MR. S. NIRANJAN REDDY, *Independent Non-Executive Director*

A Post Graduate in Law (LLM), aged 42 years, he is the Managing Partner of the firm Niranjani & Associates, which was established by him in the year 1992. Mr. Reddy practices at the High Court of Andhra Pradesh and other appellate authority bodies in India and has

vast experience in civil litigation, criminal litigation, arbitration and conciliation matters including corporate and contractual related matters. Mr. Reddy is a member of the Audit Committee, Remuneration Committee and Investor's Grievance Committee of PVP.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. N. S. Kumar

Mr. R. Nagarajan

Mr. S. Niranjan Reddy

Mr. Prasad V. Potluri (Chairman & Managing Director)

BOARD COMMITTEES

Audit Committee:

Mr. R. Nagarajan

Mr. N. S. Kumar

Mr. S. Niranjan Reddy

Shareholders/Investors' Grievance Committee:

Mr. N. S. Kumar

Mr. R. Nagarajan

Mr. S. Niranjan Reddy

Remuneration Committee:

Mr. N. S. Kumar

Mr. R. Nagarajan

Mr. S. Niranjan Reddy

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. G S V Ranga

STATUTORY AUDITORS

M/s. CNGSN & Associates,
Chartered Accountants, No.2,
Vijayaraghava Road, T Nagar
Chennai – 17.

PRINCIPAL BANKERS

Kotak Mahindra Bank Limited

HDFC Bank Limited

Indian Overseas Bank

REGISTERED OFFICE

KRM Centre, 9th Floor, Door No.2

Harrington Road, Chetpet, Chennai – 600 031.

Telephone: +91-44-30285570

Fax: +91-44-30285571

Email: investorrelations@pvpglobal.com

CORPORATE OFFICE

4th Floor, Punnaiah Plaza, Plot No.83 & 84, Road No.2
Banjara Hills, Hyderabad – 500034.

Telephone: +91-40-67309999

Fax: +91-40-67309988

Email: investorrelations@pvpglobal.com

STOCK EXCHANGES WHERE THE COMPANY'S SECURITIES ARE LISTED

Bombay Stock Exchange Limited

National Stock Exchange of India Limited

London Stock Exchange Limited (GDRs)

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad – 500 081

Andhra Pradesh

Telephone: +91 040 – 44655000

Fax: +91 040 – 23420814

Email: einward.ris@karvy.com

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of PVP Ventures Limited will be held on Thursday, the September 26, 2013 at 10.00 A.M. at "Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006, to transact the following Businesses:

ORDINARY:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2013, Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. R.Nagarajan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. CNGSN & Associates, Chartered Accountants (FRN: 004915S), Chennai as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors.

SPECIAL:

4. **Appointment of Mr. S. Niranjan Reddy as Director of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956, and other applicable provisions, if any, of the said act, Mr. S. Niranjan Reddy, who was appointed as an Additional Director, with effect from March 18, 2013, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. **Variation in terms of appointment of Mr. Prasad V. Potluri as Chairman and Managing Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections

198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modification or re-enactment thereof, for the time being in force) and in super-session of all earlier resolutions and agreements passed and executed in connection with the appointment of Mr. Prasad V. Potluri as the Chairman and Managing Director of the Company, the consent of the Members be and is hereby accorded for the variation to the terms and conditions of the re-appointment of Mr. Prasad V. Potluri as Chairman & Managing Director of the Company, for the remaining period of his tenure on the revised remuneration with effect from June 01, 2013:

I. Salary & Perquisites:

- a) Annual gross remuneration including salary, HRA, allowances and perquisites, not exceeding ₹ 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 349 and 350 of the Companies Act, 1956.

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 XIII of the Companies Act, 1956.

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, 1956 (including any Statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

6. Commencement of New Business covered under Other Objects Clause of Memorandum of Association

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members be and is hereby accorded to the Board of Directors of the Company, for commencement of all or any of the business specified in clauses (1) to (11) covered under the Object Clause - C of the Memorandum of Association of the Company, as they may deem fit from time to time.”

“RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

By order and on behalf of the Board

Sd/-

Place: Hyderabad

G S V Ranga

Date: August 09, 2013

Head – Legal & Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is first in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 23, 2013 to Thursday, September 26, 2013 (both days inclusive) for the purpose of Annual General Meeting.

6. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/ RTA and notify the Company's RTA, or the Depository Participants, in case of shares in dematerialised form, immediately of change, if any, in their registered address.
7. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
 - (i) Change in their Residential status on return to India for permanent settlement.
 - (ii) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
8. The Company has designated an exclusive email ID viz. investorrelations@pvpglobal.com, which would enable the investors/shareholders to post their grievances and monitor its redressal. Any member having any grievances can post the same to this email ID for the quick redressal.
9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the Meeting.
10. The Annual Report of the Company for the year 2012-13 circulated to the Members of the Company is available on the Company's website, viz. www.pvpglobal.com

11. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (pursuant to clause 49 of the Listing Agreement)

At the ensuing Annual General Meeting, Mr. R.Nagarajan is retiring by rotation and being eligible, offers himself for reappointment as Director. Mr. S. Niranjan Reddy, who was appointed as Additional Director on March 18, 2013, be appointed as Director of the Company. In terms of clause 49 of the Listing Agreement, following are the profiles of Mr. R. Nagarajan and Mr. S. Niranjan Reddy

Name of Director	Mr. R. Nagarajan	Mr. S.Niranjan Reddy
DIN	00443963	00337600
Date of birth	July 06, 1938	July 22, 1970
Date of appointment on the Board	March 19, 2001	March 18, 2013
Qualifications	B.Com (Hons.), CA IIB	Post Graduation in Law
Brief Resume & Expertise in specific functional areas	Over 50 years of experience in Banking and Finance	More than 20 years experience in corporate and commercial litigations, criminal litigation, arbitrations and negotiations
Directorships held in other Public Companies	M/s.Picturehouse Media Limited; and M/s.Duggar Finance & Investments Limited	Nil
List of the Committees of other Companies in which chairmanship/ Membership held	Chairman of Audit Committee, Shareholders' Grievance Committee and Remuneration Committee of M/s. Picturehouse Media Limited.	Nil
Chairman/Member of the Committees of the Company	Member of the Shareholders' Grievance Committee and Remuneration Committee and Chairman of the Audit Committee	Nil
No. of shares held in the Company	Nil	Nil
Relationship with other directors of the Company	None	None

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 4

Members may please note that Mr. S. Niranjana Reddy was appointed as an Additional Director of the Company, effective March 18, 2013, and his term as Additional Director will expire at ensuing Annual General Meeting. The Board now proposes to appoint him as Director, whose office is liable to retire by rotation. Notice pursuant to the provisions of Sec 257 of the Companies Act, 1956, together with the requisite deposit has been received from a Member proposing his candidature for the office of Director liable to retire by rotation.

As per the Companies Act, 1956, the said Ordinary Resolution, requires the approval of Members and hence is placed for your approval. Profile of the Director is included in the Notes to the Notice of the Annual General Meeting.

None of the Directors are interested in the resolution, except Mr. S. Niranjana Reddy.

Item No. 5

As Members are aware that Mr. Prasad V. Potluri was re-appointed as the Chairman and Managing Director of the Company for a period of five years at a nominal remuneration of ₹1 per annum with effect from December 04, 2010 which was approved by the Board of Directors at their Meeting held on August 16, 2010. His appointment as Chairman & Managing Director and payment of remuneration was approved by the shareholders at the Annual General Meeting of the Company held on September 30, 2010. In view of the positive growth in the profitability and in recognition of his contribution to the growth of the organisation, the Board of Directors of the Company at their Meeting held on May 27, 2013, upon recommendation of the Remuneration Committee, had increased the remuneration payable to the Chairman and Managing Director from the present nominal amount of ₹1 per annum to ₹120 lakhs per annum plus Commission as may be

applicable with effect from June 01, 2013 subject to the overall limits as laid down in terms of provisions of the Companies Act, 1956. The variation in the terms of appointment of the Chairman and Managing Director is subject to the approval of the Members and hence, this Resolution.

The Board recommends this resolution for your approval.

None of the Directors is interested or concerned in this resolution, except Mr. Prasad V. Potluri.

Item No. 6

The Company is presently engaged mainly in the business of development of Urban Infrastructure, power and sports related activities. Your Management and Board is of the opinion that there are lot of opportunities available in other areas covered in the Other Objects Clause (C) of the Memorandum of Association and the Management may consider taking up such business activities as a strategy to lower the risk of depending on a couple of business activities which are available only in the Main Objects of the Company. To enable the Company to capitalise such opportunities which may arise from time to time, it is proposed to obtain the approval of the Members, pursuant to Section 149(2A) of the Companies Act, 1956, by way of Special Resolution before commencement of any new business. Accordingly, approval of the shareholders is sought for commencement and carrying out of all or any of the new business and activities as mentioned in Clauses (1) to (11) covered under the Other Object Clause (C) of the Memorandum of Association of the Company.

The Board recommends the Special Resolution for approval by the shareholders.

None of the Directors of the Company is concerned or interested in the aforesaid Special Resolutions except to the extent of shares held by them in the Company.



Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report on the business and operations of the Company together with audited annual accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS (CONSOLIDATED)

(₹ in lac)

Particulars	2012-2013	2011-2012
Total Income	6566.25	340.05
Operational, Administration and other expenses	1279.47	411.25
Profit/(Loss) before Depreciation, Interest and Tax	5286.78	(71.20)
Exceptional Items	750.36	(166.13)
Profit/(loss) after exceptional items	4536.42	94.93
Depreciation	14.84	13.61
Interest and Finance Charges	44.01	7.91
Profit/(Loss) before Income Tax & Minority Interest	4477.57	73.41
Provision for taxation	910.91	14.46
Provision for minority interest	(1.86)	(0.47)
Profit/(Loss) after tax and minority interest	3568.52	59.42

REVIEW OF OPERATIONS

The financial year 2012-13 was a landmark year in the history of the Company. During this year, the consolidated revenues of the Company rose to ₹65.66 crore from ₹3.40 crore during the previous year. The consolidated PAT increased from ₹59.42 lakhs during the previous year to ₹35.68 crore for the year under report, registering a tremendous growth.

As the members are aware, the Perambur Project has launched its first few phases in the previous year and the same has been

received well by the market. The revenue flow from the phases which were already launched had continued in the year under review and the Management is expecting that the Project may launch other new phases in the current year, in which case the cash flows for the Company during the current year may further improve.

As a strategy to mitigate/lower the risk of depending on a single project for all its revenues, and also by taking advantage of the inflows occurred during the year under report and also

by keeping in view the expected inflows, the Management is exploring various options like entering into power sector, vertical and/or horizontal expansion & diversification, venturing into sports related business activities, etc.

DIVIDEND

In order to preserve the resources for expansion and diversification programs, which will, in the long run, lead to wealth maximisation in the hands of the shareholders, the Board of Directors did not recommend any dividend for the financial year 2012-13.

CAPITAL STRUCTURE

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

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARY COMPANIES

As on March 31, 2013, the Company has eight subsidiaries, viz, (1) M/s. New Cyberabad City Projects Private Limited; (2) M/s. PVP Global Ventures Private Limited, which was earlier known as M/s. PVP Energy Private Limited; (3) M/s. Maven Infraprojects Private Limited; (4) M/s. PVP Business Ventures Private Limited; (5) M/s. PVP Corporate Parks Private Limited; (6) M/s. AGS Hotels and Resorts Private Limited; (7) M/s. Cuboid Real Estates Private Limited, and (8) M/s. PVP Business Towers Private Limited.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached along with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any Member of the Company who may be interested in obtaining the same. The Audited Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. A statement pursuant to section 212(1)(e) read with 212(3) of the Companies Act, 1956, relating to Company's

Interest in its subsidiary companies for the financial year under review is forming part of this Annual Report.

PUBLIC DEPOSITS

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

INSURANCE

All the properties of your Company have been adequately insured.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

STATUTORY AUDITORS

M/s. CNGSN & Associates (FRN: 004915S), the statutory auditors, holds office up to the conclusion of ensuing Annual General Meeting (AGM). The Company has received requisite certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

The Board of Directors' recommends reappointment of M/s. CNGSN & Associates as the Statutory Auditors of the Company for the year 2013-14, at such remuneration as may be decided by the Board of Directors. Necessary resolution for their re-appointment is incorporated in the Notice of the AGM.

AUDITORS' QUALIFICATION & MANAGEMENT'S REPLY

Auditors' qualification: Attention is drawn to the (a) Note 12 in notes to the financial statements with regard to the investment in equity shares of subsidiary companies at cost ₹54718.10 lakhs with provision for diminution in carrying value provided for ₹30358.10 lakhs, (b) investment in Redeemable Nonconvertible Debentures of subsidiary company of ₹24832.00 lakhs, and (c) Note 13 in notes to the financial statements with regard to the Unsecured Loans to subsidiary companies of ₹43660.75 lakhs with provision for doubtful advances made for ₹5160.16 lakhs. Considering the networth of the subsidiary companies are negative, dependence on the parent to continue as a going

concern and other related factors indicate that the existence of material uncertainty in carrying the value of investments and loans and advances at cost less provision already made. Hence, the Auditors were unable to determine whether any adjustments to these amounts were necessary.

Management Reply: The Management is of the opinion that considering the market value of the assets and expected cash flows from the business of these subsidiary companies, the provisions already made are adequate. Hence, no additional provision is made during the current year. However, regular review on quarterly basis of the provisions and cash flows from these companies will be made and presented to the Board, for consideration of any additional provisions/write off as it may warrant based on which, the Management would take decision of additional provision /write off with the recommendation of Audit Committee .

DIRECTORS

As on the date of this Report, the Board of Directors' comprises of Mr. Prasad V. Potluri, Mr. R. Nagarajan, Mr. N.S. Kumar and Mr. S. Niranjan Reddy.

As per the Articles of Association, Mr. R. Nagarajan retires by rotation at the ensuing AGM and being eligible offers himself for reappointment. Brief profile of Mr. R. Nagarajan, as stipulated under Clause 49 of the Listing Agreements, is provided in the notes attached to the Notice calling the AGM and necessary resolution for his re-appointment is incorporated in the Notice of the AGM.

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. S. Niranjan Reddy was appointed as an Additional Director on March 18, 2013 and he holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of director, liable to retire by rotation. Notice of the Annual General Meeting contains a resolution seeking members' approval for his appointment as Director.

The Board at its Meeting held on May 27, 2013 have accorded their approval for variation of terms of appointment of Mr. Prasad V. Potluri as Chairman and Managing Director of the Company and this is subject to the approval of the Members in this Annual General Meeting and the Notice of the Annual General Meeting contains a resolution seeking members' approval for this variation of terms of appointment. For

full details, Members are requested to refer the Notice & Explanatory Statement, forming part of this Annual Report.

STOCK EXCHANGE LISTING

Presently, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the GDRs are listed on London Stock Exchange. The Company confirms that it has paid Annual Listing Fees due to the Stock Exchanges for the year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, the Directors of the Company, in respect of the financial year ended March 31, 2013, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2013 and of the profit of the Company for the year ended on that date;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company is committed to maintain the prescribed standards of Corporate Governance. The Directors' adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from a firm of Practicing Company

Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is forming part of the Report on Corporate Governance.

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

As required under the SEBI Guidelines, the Managing Director and the Head of the Finance Function Certification is attached to this Report.

PARTICULARS OF EMPLOYEES

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company for the year under review, since none of the employees is covered under such limits.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Particulars regarding technology absorption, conservation of energy and foreign exchange earnings and outgo required under section 217 (1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 to the extent applicable are as under:

A. Conservation of Energy: The operations of the Company

involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

B. Technology Absorption, Adaptation and Innovation: The Company continues to use the latest technologies for improving the quality of its operations.

C. Foreign Exchange Earnings and Outgo: (₹ in lac)

Particulars	2012-2013	2011-2012
Foreign exchange earnings	NIL	NIL
Foreign exchange outgo:		
Travel related Expenses	Nil	Nil
London Stock Exchange Fee	10.69	10.41
Total	10.69	10.41

ACKNOWLEDGEMENTS

Your Directors wish to express their appreciation for the support and co-operation extended by bankers, joint development partners, financial institutions, shareholders, government agencies and business associates. Your Directors wish to place on record their deep sense of appreciation for the committed services rendered by the employees of the Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 09, 2013

Sd/-
Prasad V. Potluri
Chairman & Managing Director



MANAGEMENT'S DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT:

The real estate sector in India assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labor migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. The real estate industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT)-enabled services (like call centers) etc and vice versa.

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital; instead, it has traditionally tapped high net-worth individuals and other informal sources of financing, which has led to low levels of transparency. This scenario underwent a change with in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy.

Real Estate sector forms an important place in the Indian economy with a GDP contribution of approximately 5-6%. Favorable demographics, rising household incomes and growth in IT sector have led the growth in the real estate industry even during the financial meltdown. The sector is also displaying considerable progress to evolve from an unorganised market to an organised industry.

Overall, 2012 remained inactive, affecting all the major sectors in real estate. Office space absorption remained lower compared with 2011. Meanwhile, retail faced challenges of

quality supply, affecting the overall absorption. The residential demand improved; however, developers continued to struggle with unsold inventories. The year 2012 closed with a few notes of positivity as the inflation was below the Reserve Bank of India's (RBI's) projected levels and the Index of Industrial Production (IIP) growth increased in the last two months of the year, giving new hopes for 2013.

OPPORTUNITIES & THREATS:

In spite of the stupendous growth witnessed in the past 10 years, substantial housing shortage is still prevalent in India. According to CRISIL Research, housing shortage in India is estimated at 78.7 million units at the end of the year 2008. The overall housing shortage in India is likely to decline to 75.5 million units by the end of year 2014.

Further, CRISIL Research expects housing shortage to decrease due to the government's thrust on improving rural housing by providing houses to the homeless under various development schemes and by enabling slum redevelopment programmes in urban areas under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). However, housing shortage in urban areas will continue to rise owing to migration towards urban areas and increasing trend of nuclear families. Housing shortage in urban areas is estimated at 19.3 million units at the end of 2008, up from 15.1 million units at the start of 2005. Housing shortage in urban areas is likely to touch a whopping 21.7 million units by the end of 2014.

The real estate market in India is yet in a nascent stage and the scope is simply unlimited, say the experts. It does not resemble a bubble that will burst. An unhindered growth for the next twenty years is almost sure. This is because the outsourcing business in India is going in great guns and this entails a huge demand for commercial buildings and urban housing besides

improvement in infrastructure. The organised retail market in India is also accelerating with players like WalMart, Bharti, Reliance, etc are looking forward to make a foray thus stepping up the demand for real estate.

Apart from the above, due to the reasons like continuous growth in population; migration towards urban areas; ample job opportunities in service sectors; growing income levels; rise in nuclear families and easy availability of finance, the opportunities for the Indian Real Estate Industry are expected to be very positive in the years to come. Further, the experts are of the opinion that with the promulgation of much awaited "The Real Estate Regulatory Bill", the Indian Real Estate Industry will definitely bounce back and show a good growth in the years to come.

On the other hand, this industry may face threats like Government Policies (Rise in Housing Loan Interest Rates), Political situation, state of global economy, tightening of credit market, competition from unorganised sector, high rate of inflation, overall industry growth rate, etc.

FINANCIAL PERFORMANCE:

- A. **Capital Structure:** There is no change in the capital structure during the period under report.
- B. **Reserves & Surplus:** The increase in Reserves & Surplus has been contributed by the profit for the year under report.
- C. **Borrowings:** During the year, the Company had repaid the loan of ₹2105.45 lakhs to L&T Infrastructure Finance Company Limited.
- D. **Fixed Assets:** The decrease in fixed assets was due to sale of Company's Pattipulam land property during the year under report.
- E. **Long term & Short term loans & advances:** This indicates security deposits made by the Company and various other advances given by the Company in its regular course of business operations.
- F. **Revenue from Operations:** The consolidated revenue increased to ₹65.66 crore from ₹3.40 crore during the previous year.
- G. **Cost of Sales:** This indicates to expenditure incurred by the Company towards its core operations.
- H. **Other Expenditure:** The increase in the other expenditure

was mainly due to increase in legal, professional and consultancy expenses and this increase is justifiable keeping in view the increase in operations and revenues of the Company.

- I. **Exceptional Items:** The increase in exceptional items was due to writing off of liabilities & loans and advances, which are no longer required.
- J. **Net Profit:** The consolidated net profit for the year was ₹35.68 crores as against a net profit of ₹0.59 crores during the previous year.

Outlook: Due to the following factors, the outlook for Indian Real Estate Industry seems to be bright and very positive in the years to come and particularly in the year 2013:

Economy - As per RBI, the policies will focus towards growth in 2013, although risks of inflation will continue to remain. Interest rates are expected to witness a downward correction of 100 to 150 bps in 2013. The softening of interest rates is expected to reduce the home loan rates, in turn increasing the buying of real estate assets. Increasing urbanisation and consumption despite the slowdown in GDP growth will be the key drivers of the economy in 2013.

Policies - The recent policy initiatives are expected to improve the investment climate and business environment, and they are likely to benefit the real estate sector in 2013. Few policies to look at in 2013 are: the Real Estate Regulation Bill, the Real Estate Investment Trusts (REITs) or real estate mutual funds (REMFs), expected to get launched in 2013.

Infrastructure - The infrastructure sector achieved a substantial FDI of USD 2.8 billion, accounting for a notable 7.7% of the total FDI inflow in FY 2012. In the year 2013, the relaxation of FDI policies in multi-brand retail is expected to surge the investment in back-end infrastructure development such as logistics. Moreover, an FDI of up to 100% is also permitted under the automatic route in built-up infrastructure and is likely to surge the development of the city and the regional level infrastructure in 2013.

Retail Real Estate - The relaxation in FDI policies in multi-brand retail interestingly has surged aggressive growth amongst Indian retailers to take the first-mover advantage. This is expected to drive the demand in 2013. However, as supply of retail malls remains a challenge, retailers are likely to opt for built-to-suit

(BTS) options or high-street properties. As most developers are focusing on residential developments, the supply of malls will reduce in the major cities over the year. In 2013, retailers will be cautious and take more time to execute agreements as they will do a detailed analysis before closing transactions. Retailers will commit to space only if they see approvals in place and the construction of the space in progress.

Residential Real Estate - REITs in India allowing investments in rental housing is a new trend worth watching. The framework and details of REITs, once formulated, are likely to drive the investor demand across the prime cities in India in 2013. Another interesting trend observed in the last two years was that the stock in the range of INR 2,000-3,000 per sq ft was fast sold out. In 2013, this range is likely to shift to INR 3,000-5,000 per sq ft with the increase in inflation and construction costs.

Industrial Real Estate - Sale-cum-leaseback of exiting industrial assets by existing companies is likely to increase in 2013. MNCs testing the waters in India are likely to focus on BTS industrial properties. Warehousing companies are now preparing for the goods and services taxes (GST) and are slowly moving from godowns to distribution centres. The growing trend in e-retailing and FDI in multi-brand retail is expected to surge the demand for warehousing spaces in 2013.

Investment Sentiments - Debt capital is likely to increase in 2013. Banks are expected to be more flexible in lending. Most of the realty funds are close to their exit periods as they were invested around 2006-2007. Therefore, the exit of real estate funds is expected to increase in 2013. Meanwhile, interest on income-producing assets by institutional investors is likely to increase over the year. However, the availability of such assets will continue to remain a challenge. Assets will witness a softening of yield rates amidst increased liquidity.

RISKS & CONCERNS:

Banks have been very cautious in lending because of the delays in execution of Projects by the developers and also due to tightening of lending norms by the Reserve Bank of India (RBI). With RBI restricting use of bank debt for land acquisition, equity and mezzanine capital has become the favored option for such use. Hence, availability of finance is a major concern for this Industry.

Further, as per the Industry sources, lot of finished stock lying unsold and due to this reason, the capital invested by the developers on those projects got blocked and to that extent, the existing developers may show some sort of reluctance to venture into new projects.

The other major risks & concerns include the political uncertainty, particularly in view of the upcoming elections, inflation, status of global economy, growth rate, etc. Experts are of the opinion that the proposed Real Estate (Regulation and Development Bill) works both ways. On one hand, it aims to hold the developers accountable; on the other hand, it also looks to ensure that the allottees do not default in making payments. Mandatory registration of projects, mandatory deposit of certain per cent of project revenues in separate bank account, etc are also there in the proposed Bill. Industry experts are of the view that the perception of the various stake holders towards this Bill would have a major bearing on the performance of Real Estate Industry in near future.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The internal audit and other internal checks implemented in the Company are adequate and commensurate with the size and nature of operations providing sufficient assurance and safe guarding all assets, authorising transactions and its recording and timely reporting.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Industrial relations are harmonious. The Company recognises the importance and contribution of the human resources for its growth and development.

CAUTIONARY STATEMENTS

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



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

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

BOARD COMPOSITION, ITS MEETINGS AND PROCEDURE

The Board of Directors' of the Company, as on the date of this Report, comprises of four (4) Directors. Mr. Prasad V. Potluri is

the Chairman and Managing Director and Promoter Director and Mr. R. Nagarajan, Mr. N.S. Kumar and Mr. S.Niranjan Reddy are Non-Executive & Independent Directors.

During the financial year, Five (5) board meetings were held on May 30, 2012, August 10, 2012, November 07, 2012, February 07, 2013 and March 18, 2013.

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various companies are as follows:

Name of the Director	DIN	Attendance		No. of Directorships and Committee Memberships/ Chairmanships including PVP Ventures Limited		
		Board Meetings*	Last AGM	Directorships#	Committee Memberships@	Committee Chairmanships@
Mr. Prasad V. Potluri	00179175	5	Yes	2	3	Nil
Mr. R. Nagarajan	00443963	5	Yes	2	2	4
Mr. N. S. Kumar	00552519	5	Yes	3	4	2
Mr. S. Niranjan Reddy**	00337600	Nil	No	Nil	3	Nil

* Includes Meetings attended through tele-conference.

** Mr. S. Niranjan Reddy was inducted as an Additional Director of the Company in the Board Meeting held on March 18, 2013 and consequently he was appointed as a Member in Audit Committee, Remuneration Committee and Shareholders Grievance Committee on March 18, 2013

Other Directorships exclude directorships in Indian private limited companies, section 25 companies, foreign companies, and alternate directorships.

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

The Board of the Company is regularly presented with all information, in specific, the information stipulated under Clause 49 of the Listing Agreement to ensure adequate disclosure and a transparent decision-making. Detailed agenda with explanatory notes and information is circulated among the Board, in advance of each meeting. However, urgent matters are also considered and adopted by passing resolutions through circulation, which are noted at the next meeting of the Board.

COMMITTEES OF THE BOARD:

I) Audit Committee

► Brief description of Terms of Reference

The Audit Committee of the Board is responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible; and reviewing with management the annual financial statements before submission to the Board. The Committee periodically reviews with the management the adequacy of internal control systems.

The Committee periodically interacts with the internal auditors to review the manner in which they are performing their responsibilities. The Committee holds discussion with external auditors before commencement of statutory audit on the nature and scope of audit and ascertains any areas of concern and reviews their written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. The Committee also reviews the quarterly (un-audited) and annual financial statements before they are submitted to the Board.

► Composition, name of members and Chairman

Mr. R Nagarajan	Chairman	Independent non-executive Director
Mr. N S Kumar	Member	Independent non-executive Director
Mr. S. Niranjan Reddy*	Member	Independent non-executive Director
Mr. Prasad V. Potluri**	Member	Chairman and Managing Director

* Inducted as Member with effect from March 18, 2013

** Ceased to be a Member with effect from March 18, 2013

- The Committee held four meetings during the period ended March 31, 2013, i.e. on (i) May 30, 2012, (ii) August 10, 2012, (iii) November 07, 2012, and (iv) February 07, 2013. Except Mr. Niranjan Reddy, all the Members have attended all the Meetings.

II) Shareholders /Investors' Grievance Committee

As on March 31, 2013, this Committee comprised of Mr. N.S. Kumar (Chairman), Mr. R. Nagarajan, Mr. S. Niranjan Reddy*. Mr. Prasad V. Potluri ceased to be a Member with effect from March 18, 2013. It approves/ratifies the transfer and transmission of securities; issuance of duplicate share certificates, redressal of investors' grievances. It also suggests and monitors measures to improve investor relations.

During the year, there was no meeting of the Shareholders'/ Investors' Grievance Committee held as there were no complaints/grievances received from any shareholder of the Company and no complaint was pending either at the beginning or at the end of the year.

* Inducted as Member with effect from March 18, 2013

III) Remuneration Committee

Though it is not mandatory to constitute the Remuneration Committee as per the Listing Agreement, the Company has voluntarily constituted this Remuneration Committee. The brief description of terms of reference to the remuneration committee is, inter alia, to recommend compensation terms for Executive Directors. As on March 31, 2013, this Committee comprised of Mr. N. S. Kumar (Chairman), Mr. R. Nagarajan, Mr. S. Niranjan Reddy* and Mr. Prasad V. Potluri ceased to be a Member with effect from March 18, 2013. However, during the year, no meeting of the Remuneration Committee was held.

* Inducted as Member with effect from March 18, 2013

REMUNERATION PAID TO THE DIRECTORS DURING THE YEAR 2012-13

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

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

Mr. Prasad V. Potluri	NIL
Mr. R. Nagarajan	₹1,80,000
Mr. N. S. Kumar	₹1,80,000
Mr. S. Niranjan Reddy	NIL

The Company Secretary of the Company acts as the Secretary to all the committees.

Details of equity shares of the Company held by Directors as on March 31, 2013

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

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
2009-10	Kamaraj Arangam, No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006	September 30, 2010 10:00 A.M	NIL
2010 -11	Rani Seethai Hall, No. 603, Anna Salai, Chennai-600 006	September 28, 2011 10:00 A.M	NIL
2011-12	Kamaraj Arangam, No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006	September 26, 2012 10.00 A.M.	NIL

B. Extraordinary General Meetings

No Extraordinary General Meeting was held during the year.

C. Postal Ballot

During the year ending March 31, 2013, there were no Resolutions passed through Postal Ballot.

However, the following resolutions were passed during the financial year 2013-14 (till the date of this Report) through Postal Ballot:

- Special Resolution for amending the Main Objects Clause of Memorandum of Association as per Section 17 and other applicable provisions of the Companies Act, 1956; and
- Special Resolution for amending the Other Objects Clause of Memorandum of Association as per Section 17 and other applicable provisions of the Companies Act, 1956

(c) Following was the voting pattern:

Particulars	Resolution No.1			Resolution No.2		
	Total valid votes received	No. of votes received		Total valid votes received	No. of votes received	
		For	Against		For	Against
	149369623	149329273	40350	149344002	149305372	38630
Resolution passed with %	99.97% of the total valid votes received			99.97% of the total valid votes received		

(d) Mr. D. Hanumanta Raju, Partner, M/s. D. Hanumanta Raju & Co., Company Secretaries was appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

(e) After receiving the approval of the Board of Directors, Notice of Postal Ballot, text of the Resolution and Explanatory Statement, postal ballot forms and self addressed postage pre-paid envelopes have been sent to the shareholders to enable them to exercise their vote for or against the proposal with in a period of 30 days from the date of dispatch. After receipt of the Postal Ballots, the scrutinizer, after due verifications, submitted his report to the Chairman & Managing Director of the Company. Thereafter, Mr. S. Kannan, the Authorised Person, declared the result of the Postal Ballot on May 10, 2013. The same was informed to the Stock Exchanges. The facility of e-voting has not been provided for.

DISCLOSURES

- (i) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the Management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large. The Company's related party transactions are generally with its subsidiaries and associate companies. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, legal requirements and capital requirements of these subsidiaries and associate companies. All related party transactions are intended to further the business interests of the Company.
- (ii) There were no instances of non-compliance by the Company, no penalties were imposed or strictures passed against the Company by the Stock Exchanges or SEBI or

any statutory authority, on any matter related to capital markets, during the last three years.

- (iii) Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreement:

The Company has set up a Remuneration Committee, details of which have been given earlier in this Report.

- (iv) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and suitable replies have been provided for in the Directors' Report for the qualifications made by the Statutory Auditors.
- (v) At every Board Meeting, a statement of compliance with all laws and regulations as certified by the Chairman and Managing Director is placed before the Board for its review. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.
- (vi) In terms of Clause 49(V) of the Listing Agreement, the Chairman and Managing Director and the Head - Finance & Accounts submitted a certificate to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.
- (vii) The Company has adopted an Insider Trading Code as per the model code prescribed under the SEBI (Insider Trading) Regulations as amended up to date. All Directors/designated employees are required to disclose related information periodically as defined in the Code. The Company Secretary has been designated as the Compliance Officer under the Code. The code is available on the Company's website: www.pvpglobal.com.

(viii) The Board regularly discusses the significant business risks identified by the Management and the mitigation process being taken up.

(ix) The Company did not raise any funds during the year through preferential issue mode/rights issue/public issue.

results within the prescribed period and published the same in Business Standard (in English) and in Makkal Kural (in Tamil).

Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information is circulated to the Members and others entitled thereto.

MEANS OF COMMUNICATION

The Company announced the quarterly/half-yearly/annual

GENERAL SHAREHOLDERS INFORMATION

i)	Annual General Meeting will be held on Thursday, September 26, 2013 at 10.00 AM at "Kamaraj Arangam", No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006
ii)	Financial Year of the Company is 1st April to 31st March.
iii)	Financial Reporting for the quarter ending 30th September, 2013, 31st December, 2013, 31st March, 2014 and 30th June, 2014 will be within forty five days from the closure of the quarter.
iv)	Dates of Book Closure will be from 23rd September to 26th September, 2013 (both days inclusive).
v)	Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange
vi)	Company's GDRs are listed on the main market of London Stock Exchange
vii)	Stock Code/Symbol of the Company's scrip is BSE Code/Symbol – 517556/PVP, NSE – PVP; LSE – PVP
viii)	ISIN Code: INE362A01016

viii) High & Low Market Price during each month in the accounting year was as follows:

Month	BSE		NSE	
	High	Low	High	Low
April, 2012	5.94	4.00	5.15	4.35
May, 2012	4.69	3.81	4.80	3.75
June, 2012	6.10	4.05	6.15	4.05
July, 2012	6.18	4.53	6.05	4.65
August, 2012	5.71	4.55	5.80	4.60
September, 2012	7.43	4.50	7.25	4.55
October, 2012	7.20	6.40	7.30	6.40
November, 2012	6.64	5.71	6.60	5.70
December, 2012	8.90	6.01	8.85	6.00
January, 2013	8.52	6.00	8.50	5.95
February, 2013	8.19	5.95	8.20	5.95
March, 2013	7.85	4.96	7.75	4.90

- ix) Registrar & Share Transfer Agents of the Company is M/s. Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Andhra Pradesh
- x) Share Transfer System: The Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Limited, handle share transfers under the overall supervision of the Investors' Grievance & Share Transfer Committee.

xi) Shareholding Pattern as on 31st March, 2013 was as follows:

Category	No. of shares	% to share capital
Promoters	14,09,90,766	57.53
Mutual Funds/UTI	300	0.00
Financial Institutions/Banks	4,46,340	0.18
Foreign Institutional Investors	26,22,491	1.07
Bodies Corporate	13,640,091	5.57
Non Resident Indians	42,67,794	1.74
Foreign Bodies Corporate	2,45,05,270	10.00
Custodians of GDRs	92,218	0.04
Resident Individuals	5,48,27,742	22.38
Others	36,59,689	1.49
	24,50,52,701	100.00

- xii) Dematerialisation of Shares & Liquidity: To facilitate trading in dematerialised form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are actively traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. As on 31st March, 2013, 99.88% shares were held in dematerialised form.
- xiii) Compliance Officer: Mr. G S V Ranga, Head – Legal & Company Secretary
Phone: +91-44-30285570, Fax: +91-44-30285571, Email: investorrelations@pvpglobal.com
- xiv) Address for correspondence: PVP Ventures Limited, 4th Floor, Punnaiah Plaza, Plot No.83 & 84, Road No.2, Banjara Hills, Hyderabad – 34. Telephone: +91-40-67309999; Fax: +91-40-67309988; Email: investorrelations@pvpglobal.com.
- xv) Investor Relations: The Company generally replies to the queries within a week of their receipt.
- xvi) Nomination Facility: Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to contact the Company's Share Transfer Agents, M/s. Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Andhra Pradesh; Email: einward.ris@karvy.com

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

Category (Shares)	No.of Holders	% To Holders	No.of Shares	% To Equity
1-5000	29877	95.53	15524006	6.33
5001-10000	685	2.19	5372565	2.19
10001-20000	341	1.09	4901822	2.00
20001-30000	128	0.41	3213922	1.31
30001-40000	42	0.13	1460164	0.60
40001-50000	35	0.11	1633156	0.67
50001-100000	85	0.27	5891072	2.40
100001 and above	82	0.26	207055994	84.49
Total	31275	100.00	245052701	100.00

CORPORATE GOVERNANCE CERTIFICATE

A Certificate obtained from a firm of Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to the Directors' Report.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

The Audit Report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited every quarter.

CERTIFICATION IN TERMS OF CLAUSE 49(V) OF THE LISTING AGREEMENT

We, Prasad V. Potluri, Chairman & Managing Director and S. Kannan, Head - Finance & Accounts of PVP Ventures Limited, responsible for the finance function, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (ii) these statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including 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 in violation of company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference -
- (i) there were no significant changes in the internal controls or overall financial reporting;
 - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; 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.

Place: Hyderabad

Date: May 27, 2013

Sd/-

Prasad V. Potluri

Chairman & Managing Director

Sd/-

S. Kannan

Head - Finance & Accounts

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

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

As the Chairman and Managing Director of PVP Ventures Limited and as required by Clause 49 of the Listing Agreement with the Stock Exchanges, 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 2012-13.

Sd/-

Place: Hyderabad

Date: August 09, 2013

Prasad V. Potluri

Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
M/s. PVP Ventures Limited

We have examined the compliance of conditions of corporate governance by PVP Ventures Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us and representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Clause of the Listing Agreements.

We state the such compliance 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.

Sd/-
Datla Hanumanta Raju
C.P.No. 1709
Partner

Place: Hyderabad
Date: August 09, 2013

D. Hanumanta Raju & Co.
Company Secretaries

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. *This notice in electronic form has been sent to those Members who have registered their mail addresses with the Depository Participants (DPs) and Registrar and Share Transfer Agents (RTA).* To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s. Karvy Computershare Private Limited.

ANNEXURE-I

FINANCIAL INFORMATION OF THE SUBSIDIARY COMPANIES AS REQUIRED BY THE GENERAL CIRCULAR NO. 2 OF 2011 ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA, FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Rupees Thousand)

Name of the Subsidiary	NCCPL	PVPGV	PVPCP	AGS Hotels	MIPL	PVPBV	Cuboid	PVPBT
Paid up capital	12,470	56,028	5,000	35,810	100	100	100	100
Reserves & Surplus	49,857	(7,81,878)	3,32,658	(32,122)	(51,526)	(346)	(186)	3,489
Total Assets (Incl. Investments)	25,45,799	20,23,433	3,39,547	3,749	76	5,50,048	3,50,004	7,54,786
Total Liabilities	24,83,472	27,49,283	1,889	61	51,502	5,50,294	3,50,090	7,51,197
Investments	Nil	2,52,851	1,64,800	Nil	Nil	5,49,999	3,50,000	5,09,700
Turnover	Nil	1,11,628	17	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) Before Taxation	(981)	(4,816)	(287)	(86)	(19)	(14)	(22)	(19)
Provision for Taxation	Nil	3	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) After Taxation	(981)	(4,819)	(287)	(86)	(19)	(14)	(22)	(19)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Abbreviations used:

NCCPPL-New Cyberabad City Projects Private Limited, PVPGV-PVP Global ventures private ltd (formerly PVP Energy Private Limited), PVPCP-PVP Corporate Parks Private Limited, AGS Hotels-AGS Hotels & Resorts Private Limited, MIPL-Maven Infraprojects Private Limited, PVPBV-PVP Business Ventures Private Limited, Cuboid-Cuboid Real Estates Private Limited, PVPBT- PVP Business Towers Private Limited

Notes:

- All the above information is as on March 31, 2013.
- All the above investments are in companies other than subsidiary companies.
- Investments made by PVPBV is in M/s. Jagati Publications Private Limited of 15,27,776 (PY-15,27,776) equity shares of ₹10 each fully paid @ ₹360 per share.
- Investments made by Cuboid is in M/s. Jagati Publications Private Limited of 9,72,222 (PY-9,72,222) equity shares of ₹10 each fully paid @ ₹360 per share.
- Investments made by PVPBT is in M/s. Jagati Publications Private Limited of 11,38,055 (PY-11,38,055) equity shares of ₹10 each fully paid @ ₹360 per share and in M/s. Mimosa Enterprises Private Limited of 3,33,333 (Previous year-3,33,333) equity shares of ₹10 each fully paid @ ₹300 per share
- Investments made by PEL includes:
 - 10,90,235 (Previous year-10,90,235) equity shares of ₹10 each fully paid up of PVP Ventures Limited, the Holding Company @ ₹208 per share acquired through Open Offer and from the erstwhile promoters of the Company
 - 8,92,604 (Previous year- 4,51,987) equity shares of ₹10 each fully paid up of Picturehouse Media Limited
 - Out of the total Investment, 4,51,987 equity shares were acquired @₹31.50 per share through Open Offer
 - Balance of 4,40,617 equity shares were acquired in the open market during the year 2012-13.

For and on behalf of the Board of Directors

Place: Hyderabad

Date: August 09, 2013

Sd/-

Prasad V. Potluri

Chairman & Managing Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To
The Members
PVP Ventures Limited
Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of PVP Ventures (the Company), which comprises the Balance Sheet as at March, 31 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion:

Attention is drawn to the (a) Note 12 in notes to the financial statements with regard to the investment in equity shares of subsidiary companies at cost ₹54718.10 lakhs with provision for diminution in carrying value provided for ₹30358.10 lakhs, (b) investment in Redeemable Non-convertible Debentures of subsidiary company of ₹24832.00 lakhs, and (c) Note 13 in notes to the financial statements with regard to Unsecured Loans to subsidiary companies of ₹43660.75 lakhs with provision for doubtful advances made for ₹5160.16 lakhs. The management is of the view that considering the market value of the assets and expected cashflows from the business of these subsidiary companies the provision already made are adequate. However considering the networth of the subsidiary companies are negative, dependence on the parent to continue as a going concern and other related factors indicate that the existence of material uncertainty in carrying the value of investments and loans and advances at cost less provision already made. Hence we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except to the possible effects of the matters described in Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March, 31, 2013;
- b) In the case of Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to (a) Note 4 with regard to the waiver of Interest payable to the Debentures (parent company) (b) Note 12 with regard to the waiver of Interest receivable from Debentures (subsidiary company), and (c) Note 18 and Note 24.7 with regard to the Income Tax demands disputed before the authorities and payment of taxes under dispute, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the accounting standards referred to sub-section (3C) of Section 211 of the Act;
- e. on the basis of written representation received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Act;
- f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For M/s CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No: 004915S

Sd/-
R. THIRUMALMARUGAN
 Partner
 Membership No: 200102

Camp: Hyderabad
 Date: 27th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Independent Auditors' Report of even date)

1. a. In our opinion and according to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As per the information and explanations provided to us, the Company has physically verified the fixed assets during this year and there is no material discrepancies noticed on such verification.
- c. As per the information and explanation provided to us, the disposal of fixed assets has not affected the going concern.
2. a. According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals.
- b. According to the information and explanations given to us the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- c. According to the information and explanation given to us the company is maintaining proper records of inventory and there are no material discrepancies were noticed on physical verification.
3. a. According to the information and explanations given to us, the Company has granted, unsecured loans to five subsidiary companies, the parties covered in the register maintained under section 301 of the Companies Act, 1956. The total amount of outstanding as on the balance sheet date is ₹43660.75 lakhs, out of which a sum of ₹5160.16 lakhs has already been provided for. It is also informed to us that these advances are interest free and recoverable on demand and therefore the other clause related to terms and conditions of loans, receipt of principal and overdue amounts are not applicable.
- b. According to the information and explanations given to us, the Company has taken unsecured interest free loans from three subsidiary companies, the parties covered in the register maintained under section 301 of the Act. It is informed that these loans are repayable on demand and total outstanding as on the balance sheet date is ₹4753.32 lakhs. Therefore the rate of interest, terms and conditions, repayment are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls systems.
5. a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from public during this year. Therefore the provisions of section 58A, 58AA of the Act and any contravention of these provisions for the year under audit are not applicable.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. As per the information and explanations given to us, we are of the opinion that the Company has made and maintained the cost records pursuant to the Rules made by the Central Government under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
9. a. According to the information and explanation given to us, the Company is depositing undisputed statutory dues with appropriate authorities, like Provident Fund, Investor Education and Protection Fund, Employee's State insurance, Income-tax, Sales-tax, Wealth-tax,

Service tax, Customs Duty, Excise Duty, Cess, wherever applicable, except few delays in depositing, P.F, Income Tax TDS and Service Tax remittances on reverse charge. There are no undisputed Statutory outstanding dues as at 31st March 2013 for a period of more than six months from the date they become payable.

- b. According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute, except the Income Tax demands disputed before the CIT (Appeals), Chennai for the Asst year 2008-09 ₹16497.15 lakhs, and before ITAT, Hyderabad for the Asst year 2007-08 ₹819.31 lakhs.
10. In our opinion and according to the information and explanation given to us, the accumulated loss the Company as at the end of the financial year is more than 50% of its networth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions or banks or debenture holders.
 12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
 14. In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
 15. In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loans during the year.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
 18. According to the information and explanation given to us, the Company has not made allotment of shares during the year.
 19. According to the information and explanation given to us, the Company has not issued any debentures during the year and hence creation of security for issue of debenture does not arise.
 20. According to the information and explanation given to us, the Company has not raised money by public issue during the year and disclosure of end use of public issue does not arise.
 21. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No: 004915S

Sd/-
R. THIRUMALMARUGAN
 Partner
 Membership No: 200102

Camp: Hyderabad
 Date: 27th May, 2013

BALANCE SHEET As at 31st March, 2013

(₹ in Lakhs)

	Note No.	As at 31-03-2013		As at 31-03-2012	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	24,505.27		24,505.27	
(b) Reserves and Surplus	3	42,338.56		40,227.36	
(c) Money Received against Share warrants		-	66,843.83	-	64,732.63
(2) Share application money pending allotment					
			-		-
(3) Non-current liabilities:					
(a) Long-term borrowings	4	18,135.14		20,220.02	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long-term liabilities	5	8,621.40		12,163.24	
(d) Long-term provisions	6	24.81	26,781.35	26.51	32,409.77
(4) Current liabilities:					
(a) Short-term borrowings		-		-	
(b) Trade payables	7	539.92		23.60	
(c) Other current liabilities	8	11,418.81		7,587.48	
(d) Short-term provisions	9	911.24	12,869.97	0.54	7,611.62
Total			106,495.15		104,754.02
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	10	142.13		1,638.69	
(ii) Intangible assets	11	7,590.35		9,108.27	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under developemnt		-		-	
(b) Non-current investments	12	49,924.10		49,924.10	
(c) Deferred tax assets (Net)		-		-	
(d) Long-term loans and advances	13	39,263.29		35,452.03	
(e) Other non-current assets	14	8,411.03	105,330.90	8,430.59	104,553.68
(2) Current assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables	15	177.50		-	
(d) Cash and cash equivalents	16	94.44		109.76	
(e) Short-term loans and advances	17	151.11		6.13	
(f) Other current assets	18	741.20	1,164.25	84.45	200.34
Total			106,495.15		104,754.02
See accompanying notes to the financial statements					

As per our Report of even date

For and on behalf of the Board of Directors

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155

Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Place : Hyderabad
Date : May 27, 2013

Sd/-
PRASAD V. POTLURI
Chairman & Managing Director

Sd/-
N.S. KUMAR
Director

Sd/-
G.S.V. RANGA
Head - Legal & Company Secretary

Place : Hyderabad
Date : May 27, 2013

Sd/-
R. NAGARAJAN
Director

Sd/-
KANNAN .S
Head - Finance & Accounts

STATEMENT OF PROFIT AND LOSS For the year ended 31st March 2013

(₹ in Lakhs)

	Note No.	For the Year ended 31-03-2013	For the Year ended 31-03-2012
I Revenue from operations		4,776.70	-
II Other income	19	673.10	334.28
III Total Revenue (I + II)		5,449.80	334.28
IV Expenses:			
a Cost of Sales	20	534.49	-
b Purchases of Stock-in-Trade			
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
d Employee benefit expenses	21	267.30	175.96
e Finance costs		44.01	1.27
f Depreciation	10	14.84	13.55
g Other expenses	22	436.81	221.26
Total expenses		1,297.45	412.04
V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		4,152.35	(77.76)
VI Exceptional items	23	(387.65)	(100.00)
VII Profit/(Loss) before extraordinary items and tax (V - VI)		4,540.00	22.24
VIII Extraordinary items		-	-
IX Profit/(Loss) before tax (VII - VIII)		4,540.00	22.24
X Tax expenses			
(1) Current tax		910.88	-
(2) Deferred tax		-	-
(3) of Earlier Year		-	2.98
XI Profit / (Loss) for the year from continuing operations (IX -X)		3,629.12	19.26
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax expenses of discontinuing operations		-	-
XIV Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV Profit / (Loss) for the year (XI + XIV)		3,629.12	19.26
XVI Earnings per share after extraordinary items:			
Basic & Diluted		1.48	0.01
See accompanying notes to the financial statements			

As per our Report of even date

 For M/s CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm.Reg.No. 0049155

 Sd/-
 R.THIRUMALMARUGAN
 Partner

Membership No. 200102

 Place : Hyderabad
 Date : May 27, 2013

For and on behalf of the Board of Directors

 Sd/-
 PRASAD V. POTLURI
 Chairman & Managing Director

 Sd/-
 N.S. KUMAR
 Director

 Sd/-
 G.S.V. RANGA
 Head - Legal & Company Secretary

 Place : Hyderabad
 Date : May 27, 2013

 Sd/-
 R. NAGARAJAN
 Director

 Sd/-
 KANNAN .S
 Head - Finance & Accounts

CASH FLOW STATEMENT For the year ended March 31, 2013

(₹ in Lakhs)

	31st March 2013	31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4,540.00	22.24
Adjustments for:		
Depreciation	14.84	13.55
Profit on sale of fixed assets	(580.18)	-
Interest paid	44.01	1.27
Provision for employee benefits	5.43	-
Advances Written off	11.86	-
Interest received	(92.92)	(284.06)
Loss on sale of asset	0.44	-
Dividend Income	-	(50.22)
Excess Provision Written Back	-	(100.00)
Operating Profit Before Working Capital changes	3,943.48	(397.22)
Adjustments for:		
Increase/(Decrease) in Other Long Term Liabilities	(3,541.84)	2,163.24
Increase/(Decrease) in Long/Short Term Provisions	(7.31)	27.05
Increase/(Decrease) in Trade Payables	516.32	5.82
Increase/(Decrease) in Other Current Liabilities	3,831.33	7,071.04
(Increase)/Decrease in Long Term Advances	(3,811.26)	(9,426.64)
(Increase)/Decrease in Non Current Assets	19.56	(10.30)
(Increase)/Decrease in Trade Receivables	(177.50)	-
(Increase)/Decrease in Short Term Loans and Advances	(144.98)	(5.73)
(Increase)/Decrease in Other Current Assets	(668.61)	(2.45)
Cash Generated from Operations	(40.81)	(575.19)
Direct Taxes paid including TDS	-	(234.80)
Net Cash from Operating Activities	(40.81)	(809.99)
B. CASH FROM INVESTING ACTIVITIES		
Purchase/addition to Fixed Assets	(37.37)	(106.27)
Proceeds on sale of Fixed Assets	2,098.83	-
Dividend Received	-	50.22
Interest received	92.92	284.06
Net Cash used in Investing Activities	2,154.38	228.01
C. CASH FROM FINANCING ACTIVITIES		
Interest paid	(44.01)	(1.27)
Proceeds from Vehicle Loans (Net)	17.82	-
Repayment of long term borrowings (Net)	(2,102.70)	(273.59)
Net Cash from Financing Activities	(2,128.89)	(274.86)
Net increase in cash and cash equivalents	(15.32)	(856.84)
Cash and cash equivalents at the beginning of the year	109.76	966.60
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	94.44	109.76

As per our Report of even date

For and on behalf of the Board of Directors

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Place : Hyderabad
Date : May 27, 2013Sd/-
PRASAD V. POTLURI
Chairman & Managing DirectorSd/-
N.S. KUMAR
DirectorSd/-
G.S.V. RANGA
Head - Legal & Company SecretaryPlace : Hyderabad
Date : May 27, 2013Sd/-
R. NAGARAJAN
DirectorSd/-
KANNAN .S
Head - Finance & Accounts

NOTES TO THE ACCOUNTS As at 31st March 2013

Note: 2

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital		
300000000 Equity Shares of ₹10/- each	30,000.00	30,000.00
Issued, Subscribed and Paid Up		
245,052,701 (2012: 245,052,701) equity shares of ₹10 each	24,505.27	24,505.27
	24,505.27	24,505.27
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
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	-	-
Number of equity shares outstanding as at the end of the year	245,052,701	245,052,701
(C) Shareholding in the company held by holding company		
Platex Limited	132,612,766	132,612,766

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

Name of shareholder	No of shares at year end 31.3.13	% as at year end 31.3.13	No of shares at year end 31.3.12	% as at year end 31.3.12
Platex Limited	132,612,766	54.12	132,612,766	54.12
Black Kite Investments Limited	24,505,270	10.00	24,505,270	10.00

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

Note: 3 RESERVES AND SURPLUS

(₹ in Lakhs)

	As at 31/03/12	Additions during the year	Deductions during the year	As at 31/03/12
Securities Premium Reserve	77,511.10	-	-	77,511.10
Surplus (P&L a/c) as under:	(37,283.74)	2,111.20	-	(35,172.54)
	40,227.36	2,111.20	-	42,338.56
Opening Balance	(35,785.08)			(37,283.74)
Profit / (Loss) for the year - From P & L	19.26	3,629.12	-	3,629.12
Less: Proposed dividends	-	-	-	-
Tax on distributed profits	-	-	-	-
Less: Amortization of Goodwill	1,517.92	1,517.92		1,517.92
Balance of Profit / (Loss)	(37,283.74)	2,111.20	-	(35,172.54)

- Consequent upon merger of erstwhile PVP Ventures Private Limited with the Company, goodwill of ₹15,179.21 lakhs was created which represented the excess of liabilities over assets taken over on merger. In terms of the Scheme of Amalgamation and the decision of the Board, it is being written off in a phased manner over a period of 10 years beginning April 01, 2008. Accordingly, during the year, the Company has amortized goodwill of ₹1,517.92 lakhs.

NOTES TO THE ACCOUNTS As at 31st March 2013

Note: 4 LONG-TERM BORROWINGS:

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
SECURED LOANS		
From Other - L&T Infrastructure Finance Company Limited	-	2,105.45
A	-	2,105.45
- Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited and Part of the shares held by PVP Energy Private Limited has been given as collateral security and also guaranteed by the promoters.		
UNSECURED LOANS		
From Banks - Vehicle Loans	17.82	-
Debentures		
13,289 (2012: 13,289), 14.5% Redeemable Fully Convertible Debentures (FCDs) of ₹100,000 each from Platex Ltd, Holding Company	13,289.00	13,289.00
Other loans and advances		
- From Subsidiary Companies	4,753.32	4,750.57
- From Other Body Corporate	75.00	75.00
B	18,135.14	18,114.57
A+B	18,135.14	20,220.02

- Platex Limited has extended the conversion/redemption option of the outstanding FCDs to March 31, 2016.
- The Debentureholder had waived the interest receivable on these FCDs for the entire year. Accordingly, the Company has not recorded the interest expenditure on FCDs amounting to ₹1,926.91 lakhs (2012: ₹1,926.91 lakhs) in its books of account.
- Vehicle Loans are as per Hypothecation Agreement .

Note: 5 OTHER LONG TERM LIABILITIES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Security Deposit from Developer - Unsecured	8,621.40	12,163.24
	8,621.40	12,163.24

Note: 6 LONG TERM PROVISIONS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Employee Benefits (Refer Note No. 24.8)	24.81	26.51
	24.81	26.51

Note: 7 TRADE PAYABLE

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Sundry Creditors for services	539.92	23.60
	539.92	23.60

NOTES TO THE ACCOUNTS As at 31st March 2013

Note: 8 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Advance received for sale of UDS	11,228.17	7,423.12
Due to Developer	172.39	155.66
Statutory Liabilities payable	18.25	8.70
	11,418.81	7,587.48

Note: 9 SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Provision for income tax	910.88	-
Provision for Employee Benefits (Refer Note No. 24.8)	0.36	0.54
	911.24	0.54

Note: 10 FIXED ASSETS - TANGIBLE

(₹ in Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 1st April, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Land	1,516.77	-	1,516.77	0.00				-	0.00	1,516.77
Plant & Equipment	4.60	0.68		5.28	2.67	0.18		2.85	2.43	1.93
Furniture & Fixtures	92.39	7.50		99.89	4.01	6.16		10.17	89.72	88.38
Vehicles	23.68	23.53	2.78	44.43	9.89	3.74	1.39	12.24	32.19	13.79
Office Equipments	51.01	5.66	0.98	55.69	33.19	4.76	0.05	37.90	17.79	17.82
	1,688.45	37.37	1,520.53	205.29	49.76	14.84	1.44	63.16	142.13	1,638.69

Note: 11 FIXED ASSETS - INTANGIBLE

(₹ in Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 1st April, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 1st April, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Goodwill	15,179.21			15,179.21	6,070.94	1,517.92		7,588.86	7,590.35	9,108.27
	15,179.21	-	-	15,179.21	6,070.94	1,517.92	-	7,588.86	7,590.35	9,108.27

Note: Vehicle includes ₹23.53 lacs purchased on Hire Purchase.

Note: 12 NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
A Investment in equity instruments		
LONG TERM - AT COST - TRADE		
(i) Quoted		
Picturehouse Media Limited 3,353,114 equity shares of ₹10 each		
[Market value as at March 31, 2013: ₹1331.18 Lakhs (2012: ₹865.10 Lakhs)]	531.05	531.05
(A)	531.05	531.05
(ii) Unquoted		
PVP Corporate Parks Private Limited 500,000 equity shares of ₹10 each	50.00	50.00

NOTES TO THE ACCOUNTS As at 31st March 2013

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
AGS Hotels and Resorts Private Limited 3,581,000 equity shares of ₹10 each	358.10	358.10
PVP Global Ventures Private Limited		
5,602,869 equity shares of ₹10 each fully paid up	54,205.00	54,205.00
New Cyberabad City Projects Private Limited 1,010,000 equity shares of ₹10 each fully paid up	101.00	101.00
Maven Infraprojects Private Limited 10,000 equity shares of ₹10 each fully paid up	1.00	1.00
PVP Business Ventures Private Limited 10,000 equity shares of ₹10 each fully paid up	1.00	1.00
PVP Business Towers Private Limited 10,000 equity shares of ₹10 each fully paid up	1.00	1.00
Cuboid Real Estate Private Limited 10,000 equity shares of ₹10 each fully paid up	1.00	1.00
	54,718.10	54,718.10
Less: Provision for diminution in value of investment	30,358.10	30,358.10
(B)	24,360.00	24,360.00
II. Other than Trade in Non Subsidiaries		
(i) Quoted		
Aptech Limited 100 equity shares of ₹10 each paid up [Market value as at March 31, 2013 - ₹0.04 Lakhs (2012: ₹0.07 Lakhs)]	0.05	0.05
(ii) Unquoted		
PVP Star Hotels Private Limited 12,500 Equity Shares of ₹10 each fully paid up	201.00	201.00
	201.00	201.00
B Investment in preference shares		
(i) Quoted		
CFL Capital Financial Services Limited 2,000 13% cumulative preference share of ₹10 each paid up [Market value as at March 31, 2013 - ₹0.06 laks (2012: Nil)]	2.00	2.00
Less: Provision for diminution in value of investment	2.00	2.00
	-	-
C Investment in debentures		
New Cyberabad City Projects Private Limited 24,832 22% Redeemable Non Convertible Debentures (NCDs) of ₹100,000 each	24,832.00	24,832.00
Aggregate amount of quoted investments	533.10	533.10
Aggregate amount of unquoted investments	54,919.10	54,919.10
Aggregate amount of debentures	24,832.00	24,832.00
	80,284.20	80,284.20
Less: Aggregate provision made for dimunition in value	30,360.10	30,360.10
	49,924.10	49,924.10

NOTES TO THE ACCOUNTS As at 31st March 2013

- The NCDs are redeemable at par at any time on or before March 31, 2014.
- The Company has waived interest income receivable on NCDs and accordingly it has not recorded the interest income for the year amounting to ₹5,463.04 lakhs (2012: ₹5,463.04 lakhs) in its books of account.
- Considering the provisions already made for the diminution in the value of investments and considering the fact that the market value of the assets and expected cash flows from the business of these subsidiaries, the management is of the opinion that the provisions already made are adequate.

Note: 13 LONG TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Unsecured and considered good	-	-
Security Deposits	162.38	12.41
Advance to Platex Limited (Holding Company)	-	21.18
Advance to Subsidiaries	38,500.59	35,377.77
Advance to Others	600.32	40.67
Considered doubtful - advance to subsidiaries	5,160.16	5,160.16
Considered doubtful - advance to others	3,051.88	3,051.88
	47,475.33	43,664.07
Less: Provision for doubtful advances	8,212.04	8,212.04
	39,263.29	35,452.03

- Considering the provisions already made for the doubtful advances and considering the fact that the market value of the assets and expected cash flows from the business of these subsidiaries, the management is of the opinion that the provisions already made are adequate.

Note: 14 OTHER NON CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Others - Inventory of land	8,411.03	8,430.59
- (Valued at cost or net realised value which ever is less and as certified by the Management.)		
	8,411.03	8,430.59

Note: 15 TRADE RECEIVABLE

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
- Considered Good		
Trade receivables outstanding for less than six months from the date they became due for payment	177.50	-
	177.50	-

Note: 16 CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Balance with banks	70.86	76.48
Cash on hand	0.13	0.04
Bank Deposits with more than 12 months maturity	23.45	33.24
	94.44	109.76

NOTES TO THE ACCOUNTS As at 31st March 2013**Note: 17** SHORT TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Unsecured - Considered good		
Staff Advances	151.11	6.13
	151.11	6.13

Note: 18 OTHER CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Interest accrued and due on investments	1.45	3.61
Advance Income Tax	621.35	77.77
Prepaid Expenses	118.40	3.07
	741.20	84.45

- Advance Income Tax includes a sum of ₹150 lacs paid under protest for A.Y.2007-08. ₹400 lacs has been paid as a representative assessee of Platex Ltd., pending appeals and chances of success in appeal these amounts are shown as recoverable dues.

NOTES TO THE STATEMENT OF PROFIT & LOSS For the year ended 31st March 2013

Note: 19 OTHER INCOME

(₹ in Lakhs)

	For the year ended 31-03-2013	For the year ended 31-03-2012
Interest income	92.92	284.06
Profit on Sale of Fixed Assets	580.18	-
Dividend income	-	50.22
	673.10	334.28

Note: 20 COST OF SALES

(₹ in Lakhs)

	For the year ended 31-03-2013	For the year ended 31-03-2012
Opening Stock of Land	8,430.59	8,420.29
Add: Current year Expenses	514.92	10.30
	8,945.51	8,430.59
Less: Closing Stock of Land	8,411.02	8,430.59
	534.49	-

Note: 21 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

	For the year ended 31-03-2013	For the year ended 31-03-2012
Salaries and wages	255.59	144.56
Contribution to PF and other funds	2.44	1.10
Staff welfare expenses	3.84	3.25
Retirement Benefits	5.43	27.05
	267.30	175.96

Note: 22 OTHER EXPENSES

(₹ in Lakhs)

	For the year ended 31-03-2013	For the year ended 31-03-2012
Rent	26.06	26.97
Power & Fuel	4.66	4.10
Communication Expenses	7.90	6.55
Legal, Professional and consultancy	165.97	54.85
Books & Periodicals	0.20	0.02
Insurance	1.50	0.18
Printing & Stationery	8.84	5.12
Postage & Telegrams	2.41	2.86
Listing Fees & Others Expenses	25.61	22.71
Security Charges	6.57	3.98
Office Expenses	28.26	0.23
Business Development Expenses	31.38	2.23
Directors Sitting Fees	3.73	3.60
Repairs & Maintenance		
- For Others	5.77	13.44
Rates and taxes	10.80	9.16

NOTES TO THE STATEMENT OF PROFIT & LOSS For the year ended 31st March 2013

	(₹ in Lakhs)	
	For the year ended 31-03-2013	For the year ended 31-03-2012
Payment to statutory auditors	-	-
for statutory audit	14.05	14.05
for tax audit	2.25	2.76
for certification	2.53	1.65
Bank Charges & Commission	0.18	0.20
Advances Written Off	11.86	-
Travelling Expenses and Conveyance	47.54	46.22
Loss on sale of assets	0.44	-
Miscellaneous expenses	28.30	0.38
	436.81	221.26

Note: 23 EXCEPTIONAL ITEMS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Income from Liabilities Written off	(355.45)	-
Income from Compromise Settlement of Legal dispute	(32.20)	-
Provision No Longer Required on Investments written back	-	(100.00)
	(387.65)	(100.00)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013**Note 1. Significant Accounting Policies****1.1 Basis of Accounting**

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

1.2 Use of Estimates

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

To comply with GAAP requirements relating to impairment of assets, if any, the Management periodically determines such impairment using external and internal resources for such assessment. Loss, if any, arising out of such impairment is expensed as stipulated under the GAAP requirements. Contingencies are recorded when a liability is likely to be incurred and the amount can be reasonably estimated. To this extent the results may differ from such estimates.

1.3 Revenue Recognition

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

1.4 Fixed Assets

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

1.5 Depreciation

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

1.6 Impairment

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

1.7 Investments

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013**1.8 Inventories**

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

1.9 Employee Benefits**Gratuity**

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

Leave Encashment

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

Other Benefit Plans

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

1.10 Taxes on Income

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

1.11 Earnings Per Share

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

1.12 Borrowing Cost

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit and loss.

1.13 Foreign Currency Transactions

Foreign currency transactions are translated at the exchange rates prevailing on the respective date of transactions.

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

1.14 Leases

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013

1.15 Cash Flow Statement

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

Note 24. Other Items

24.1 Joint Development Agreement(JDA) for Perambur Project

During the previous year first few phases of the Perambur Project were launched received good response from the market. It continued in the current year and has progressed considerably. As per the JDA, the Company received ₹5200.81 lakhs (PY: ₹7423.12 lakhs) as its share of collections from the Project. As per the policy of the revenue recognition the company has recognized revenue for the year ₹4576.70 and the balance are shown as Advance received for sale of UDS.

24.2 The Company is engaged in the development of urban infrastructure, which in the context of Accounting Standard 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India is considered the only segment.

24.3 Considering the brought forward losses available for set-off, Income tax provision has been made under MAT liability u/s 115JB of the Income Tax Act. As per prudent accounting policy the net deferred tax assets has not been recognized as at 31st March 2013.

24.4 Lease Rentals

The Company has entered into operating leases agreements for office premises and an amount of ₹26.06 lakhs (2012: ₹26.97 lakhs) paid under such agreement have been charged to statement of Profit & Loss. The details with regard to finance lease obligations are as under.

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Due within 1 year from the Balance Sheet date	8.80	Nil
Due between 1 and 5 years	11.39	Nil
Due after 5 years	Nil	Nil

24.5 Earnings per Share (EPS)

Particulars		Year ended March 31, 2013	Year ended March 31, 2012
Nominal Value of Equity Shares (₹ per Share)	A	10	10
No. of Shares outstanding as at the year end	B	245,052,701	245,052,701
Weighted average number of Equity Shares outstanding during the period	C	245,052,701	245,052,701
Profit/(Loss) after Taxes Before Exceptional items (₹ in Lakhs)	D	3241.47	(80.74)
Profit/(Loss) after Taxes After Exceptional items (₹ in Lakhs)	E	3629.12	19.26
Earnings Per Share – Basic and diluted (Before Extraordinary items) (in ₹)	D*100000/B	1.32	(0.03)
Earnings Per Share – Basic and diluted (After Extraordinary items) (in ₹)	E*100000/C	1.48	0.01

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013

Since, the potential equity shares arising out of FCDs outstanding as at March 31, 2013 would be anti-dilutive in nature, the same has not been considered for the above EPS calculation.

24.6 Related Party Disclosures

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

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

Summary of transactions with the related parties, during the year ended March 31, 2013 and balances as at the March 31, 2013

Nature of transactions	Transactions during the year ended	
	March 31, 2013	March 31, 2012
	(₹ in Lakhs)	
(i) Advances/Loans given		
Subsidiary Company		
– PEL	3127.57	9,430.04
– CRE	0.25	Nil
– MIL	1.00	Nil
–NCCPL	4.50	Nil
(ii) Recovery of Loans		
a) Holding company		
–PL	21.18	Nil
b) Subsidiary Company		
– PBT	5.00	Nil
– NCCPL	Nil	15.00
– AGR	0.75	2.00
(iii) Purchase of Assets		
a) Subsidiary Company		
– PCPL	Nil	0.91

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013

The outstanding balances as at the March 31, 2013

Particulars	Outstanding balance as at	
	March 31, 2013	March 31, 2012
(₹ in Lakhs)		
a) Advances Receivable		
Holding Company	– PL	Nil
Subsidiary Company	– PEL	26,765.78
	– PBV	5,501.94
	– CRE	3,500.52
	– MIL	451.10
	– PBT	7,441.41
Enterprises where significant influence exists	– BPPL	35.00
b) Unsecured Loans payable		
Subsidiary Company	– NCCPL	3,018.22
	– PCPL	1,698.47
	– AGR	36.63
(c) Debentures issued		
Holding Company	– PL	13,289.00
(d) Debentures subscribed		
Subsidiary Company	-NCCPPL	24,832.00

24.7 Contingent Liabilities

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

AY to which demand relates	Amount (in Rs. lakhs)	Pending before
2008-09	164,97.15	CIT (Appeals), Chennai
2007-08	819.31	ITAT, Hyderabad

24.8 Employee Benefits

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

Principal Actuarial assumptions used

	Year ended March 31, 2013	Year ended March 31, 2012
Discount rates	8.20%	8.65%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22 years	24 years

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

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Present Value of Obligation at the beginning of the period	7.13	-
Current service cost	2.06	2.03
Interest cost	0.66	-
Actuarial loss/(gain)	(4.25)	-
Benefits paid	Nil	Nil
Present Value of obligation at the end of the period	5.79	7.13

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013**Actuarial gain/loss recognised**

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Actuarial (gain)/loss for the year		
Obligations	4.25	Nil
Assets	Nil	Nil
Total (gain)/loss for the year	(4.25)	Nil

Amounts recognized in the balance sheet

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Present value of funded obligation	6.15	7.67
Less: Fair value of assets*	Nil	Nil
Net Liability / (Asset)	6.15	7.67

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

Expenses recognised in the profit & loss statement

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Current service cost	2.06	2.04
Interest cost	0.66	Nil
Actuarial (gain)/loss	(4.25)	Nil
Cost recognized	(1.53)	7.67

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

Principal Actuarial assumptions used

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Discount rates	8.20%	8.65%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22 years	24 years

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

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Present Value of Obligation at the beginning of the year	19.38	Nil
Current service cost	(0.35)	19.38
Interest cost	1.68	Nil
Actuarial loss/(gain)	3.28	Nil
Benefits paid	(4.96)	Nil
Projected benefit obligation at the end of the period	19.03	19.38

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013

Actuarial gain/loss recognised

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Actuarial (gain)/loss for the year		
Obligations	(3.28)	Nil
Assets	Nil	Nil
Total (gain)/loss for the year	3.28	Nil

Amounts recognized in the balance sheet

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Present value of funded obligation	19.03	19.38
Less: Fair value of assets	-	-
Net Liability / (Asset)	19.03	19.38

Expenses recognised in the profit & loss statement

	Year ended March 31, 2013 (₹ in lakhs)	Year ended March 31, 2012 (₹ in lakhs)
Current service cost	(0.35)	19.38
Interest cost	1.68	Nil
Actuarial (gain)/loss	3.28	Nil
Cost recognized	4.61	(19.38)

Defined contribution plans

In respect of the defined contribution plans, an amount of ₹2.44 lakhs(2012: ₹1.10 lakhs) has been recognized in the Statement of Profit and Loss during the year.

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

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Travel related Expenses	Nil	Nil
London Stock exchange fee	10.69	10.41
Total	10.69	10.41

24.10 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.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS For the year ended March 31, 2013

- 24.12** Exceptional Income : During the year the company has disposed off the land at pattipulam and the same has been shown under other income as profit on sale of land. Proceeds of the sale was used to settle the secured loan held by the company. Excess of liability over settlement of loan was taken as exceptional item during the current year. Further the company has settled the legal dispute by way of compromise settlement which gave a exceptional income of ₹32.20 lakhs
- 24.13** The previous years figures have been regrouped/rearranged wherever necessary to make it comparable with the current year figures.
- 24.14** The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 08, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our Report of even date

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155

Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Place : Hyderabad
Date : May 27, 2013

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Chairman & Managing Director

Sd/-
N.S. KUMAR
Director

Sd/-
G.S.V. RANGA
Head - Legal & Company Secretary

Place : Hyderabad
Date : May 27, 2013

Sd/-
R. NAGARAJAN
Director

Sd/-
KANNAN .S
Head - Finance & Accounts

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of
PVP Ventures Limited,
Chennai

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PVP Ventures Limited (the Company), and its subsidiaries, which comprises the Balance Sheet as at March, 31 2013 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the consolidated financial statements. These procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified audit opinion.

Basis for Qualified Opinion

Attention is drawn to the (a) Note 12 in notes to the financial statements with regard to the investment in unquoted equity shares and optionally convertible debentures amounting to ₹15945.99 lakhs (net). The management has decided to carry all these investments as long term, have the potential to generate income in long run, and considering the assets and business potential of investee company, these investment are carried at cost, with provision already made. (b) Note No.14 and 24.3 in notes to the financial statements with regard to the work in progress-inventory includes ₹22435.81 lakhs, which is yet to yield returns because of delay in commencement of the proposed real estate project. Management decided that the fair value of these

lands including land development rights are more than book value, no provision is necessary in carrying value as at the year end. However we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

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 reports of the other auditors on the financial statements of the subsidiaries as noted below, except to the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the consolidated Balance Sheet, of the State of Affairs of PVP Ventures Limited and its subsidiaries as on March 31, 2013;
- b) In the case of consolidated Statement of Profit and Loss, of the PROFIT for the year ended on that date; and
- c) In the case of consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date

Emphasis of Matter

We draw attention to (a) Note 24.7 with regard to preparation of financials of some of the subsidiary companies on going concern, (b) Note 4 in note to the financial statements, with regard to the interest payable to the Debenture (parent company), (c) Note 13 doubtful long terms loans and advances and provision made in earlier years; and (d) Note 24.6 with regard to the demands of Income Tax and Service Tax, which describes the uncertainty related to the outcome of the Appeals filed against the Orders of the Authorities. Our opinion is not qualified in respect of these matters.

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of ₹56 953.86 lakhs as at March 31, 2013, total revenues of ₹1116.28 lakhs and net cash inflows amounting to ₹72.96 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 0049155

Sd/-
R. THIRUMALMARUGAN
Partner
Membership No: 200102

Camp: Hyderabad
Date: 27th May, 2013

CONSOLIDATED BALANCE SHEET As at 31st March, 2013

(₹ in Lakhs)

	Note No.	As at 31-03-2013		As at 31-03-2012	
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	24,396.25		24,396.25	
(b) Reserves and Surplus	3	19,381.30		17,330.70	
(c) Money Received against Share warrants		-	43,777.55	-	41,726.95
(d) Minority Interest			117.90		119.76
(2) Share application money pending allotment					
(3) Non-current liabilities:					
(a) Long-term borrowings	4	14,159.91		16,247.54	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long-term liabilities	5	8,639.31		12,181.15	
(d) Long-term provisions	6	24.81	22,824.03	27.05	28,455.74
(4) Current liabilities:					
(a) Short-term borrowings		-		-	
(b) Trade payables	7	545.73		29.34	
(c) Other current liabilities	8	11,419.34		7,588.17	
(d) Short-term provisions	9	930.15	12,895.22	18.91	7,636.42
Total			79,614.70		77,938.87
II. ASSETS:					
(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	10	142.13		1,638.69	
(ii) Intangible assets	11	9,750.71		11,268.63	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under developemnt		-		-	
(b) Non-current investments	12	16,736.21		16,619.47	
(c) Deferred tax assets (Net)		-		-	
(d) Long-term loans and advances	13	20,212.48		17,267.40	
(e) Other non-current assets	14	30,846.85	77,688.38	30,857.45	77,651.64
(2) Current assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables	15	177.50		-	
(d) Cash and cash equivalents	16	202.75		147.50	
(e) Short-term loans and advances	17	634.06		6.15	
(f) Other current assets	18	912.01	1,926.32	133.58	287.23
Total			79,614.70		77,938.87
See accompanying notes to the financial statements					

As per our Report of even date

For and on behalf of the Board of Directors

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 004915S

Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Sd/-
PRASAD V. POTLURI
Chairman & Managing Director

Sd/-
N.S. KUMAR
Director

Sd/-
G.S.V. RANGA
Head - Legal & Company Secretary

Sd/-
R. NAGARAJAN
Director

Sd/-
KANNAN .S
Head - Finance & Accounts

Place : Hyderabad
Date : May 27, 2013

Place : Hyderabad
Date : May 27, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS For the year ended 31st March 2013

(₹ in Lakhs)

	Note No.	For the Year ended 31-03-2013	For the Year ended 31-03-2012
I Revenue from operations		4,776.70	-
II Other income	19	1,789.55	340.05
III Total Revenue (I + II)		6,566.25	340.05
IV Expenses:			
a Cost of Sales	20	534.49	-
b Purchases of Stock-in-Trade		-	-
c Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
d Employee benefit expenses	21	267.30	175.96
e Finance costs		44.01	7.91
f Depreciation and amortization expenses	10	14.84	13.61
g Other expenses	22	477.68	235.29
Total expenses		1,338.32	432.77
V Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		5,227.93	(92.72)
VI Exceptional items	23	750.36	(166.13)
VII Profit/(Loss) before extraordinary items and tax (V - VI)		4,477.57	73.41
VIII Extraordinary items		-	-
IX Profit/(Loss) before tax (VII - VIII)		4,477.57	73.41
X Tax expenses			
(1) Current tax		910.88	-
(2) Deferred tax		-	-
(3) of Earlier Year		0.03	14.46
XI Profit / (Loss) for the year (before adjustment for Minority Interest) (IX -X)		3,566.66	58.95
XII Add: Share of Loss transferred to Minority Interest		1.86	0.47
XV Profit / (Loss) for the year (XI + XII)		3,568.52	59.42
XVI Earnings per share after extraordinary items:			
Basic & Diluted		1.46	0.02
See accompanying notes to the financial statements			

As per our Report of even date

For and on behalf of the Board of Directors

 For M/s CNGSN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm.Reg.No. 0049155

 Sd/-
 R.THIRUMALMARUGAN
 Partner

Membership No. 200102

 Place : Hyderabad
 Date : May 27, 2013

 Sd/-
 PRASAD V. POTLURI
 Chairman & Managing Director

 Sd/-
 N.S. KUMAR
 Director

 Sd/-
 G.S.V. RANGA
 Head - Legal & Company Secretary

 Place : Hyderabad
 Date : May 27, 2013

 Sd/-
 R. NAGARAJAN
 Director

 Sd/-
 KANNAN .S
 Head - Finance & Accounts

CONSOLIDATED CASH FLOW STATEMENT For the year ended March 31, 2013

(₹ in Lakhs)

	31st March 2013	31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4,477.57	73.41
Adjustments for:		
Depreciation	14.84	13.61
Profit on sale of fixed assets	(580.18)	-
Loss on sale of Investments	-	35.87
Interest paid	44.01	7.91
Interest received	(1,209.20)	(289.74)
Dividend Income	-	(50.22)
Provision for employee benefits	5.43	-
Bad debts written off	12.39	-
Loss on sale of asset	0.44	-
Loans & Advances Written off	1,138.01	-
Excess Provision Written Back	-	(202.00)
Operating Profit Before Working Capital changes	3,903.32	(411.16)
Adjustments for:		
Increase/(Decrease) in Other Long Term Liabilities	(3,541.84)	2,181.47
Increase/(Decrease) in Long/Short Term Provisions	(7.31)	27.05
Increase/(Decrease) in Trade Payables	516.56	2.08
Increase/(Decrease) in Other Current Liabilities	3,831.00	7,051.76
(Increase)/Decrease in Long Term Advances	(4,095.48)	(9,590.06)
(Increase)/Decrease in Non Current Assets	10.60	34.09
(Increase)/Decrease in Trade Receivables	(177.50)	-
(Increase)/Decrease in Short Term Loans and Advances	(627.91)	(6.15)
(Increase)/Decrease in Other Current Assets	(778.43)	(2.43)
Cash Generated from Operations	(967.01)	(713.36)
Direct Taxes paid including TDS	(0.03)	(248.02)
Net Cash from Operating Activities	(967.04)	(961.38)
B. CASH FROM INVESTING ACTIVITIES		
Purchase/addition to Fixed Assets	(37.37)	(105.36)
Purchase of Investments	(116.74)	-
Proceeds from Sale of Fixed Assets	2,098.83	-
Proceeds from Sale of Investments	-	37.68
Dividend Received	-	50.22
Interest received	1,209.20	289.74
Net Cash used in Investing Activities	3,153.92	272.28
C. CASH FROM FINANCING ACTIVITIES		
Interest paid	(44.01)	(7.91)
Repayment of long term borrowings	(2,087.63)	(1,041.21)
Net Cash from Financing Activities	(2,131.64)	(1,049.12)
Net increase in cash and cash equivalents	55.25	(1,738.21)
Cash and cash equivalents at the beginning of the year	147.50	1,885.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	202.75	147.50

As per our Report of even date

For and on behalf of the Board of Directors

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155

Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Sd/-
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Director

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Head - Legal & Company Secretary

Sd/-
R. NAGARAJAN
Director

Sd/-
KANNAN .S
Head - Finance & Accounts

Place : Hyderabad
Date : May 27, 2013

Place : Hyderabad
Date : May 27, 2013

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

Note: 2

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital		
300000000 Equity Shares of ₹10/- each	30,000.00	30,000.00
Issued, Subscribed and Paid Up		
245,052,701 (2012: 245,052,701) equity shares of ₹10 each	24,505.27	24,505.27
Less: 10,90,235 (2012: 10,90,235) equity shares held by PVP Energy Private Limited, Subsidiary Company.	(109.02)	(109.02)
	24,396.25	24,396.25
(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:		
Number of equity shares outstanding as at the beginning of the year	245,052,701	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)
Number of equity shares outstanding as at the end of the year	243,962,466	243,962,466
(C) Shareholding in the company of the holding company.		
Platex Limited	132,612,766	132,612,766

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

Name of shareholder	No of shares at year end 2013	% as at year end	No of shares at year end 2012	% as at year end
Platex Limited	132,612,766	54.36	132,612,766	54.36
Black Kite Investments Limited	24,505,270	10.04	24,505,270	10.04

- 13,409,314 equity shares of ₹10 each fully paid-up in cash has been issued to Platex Ltd upon conversion of 27,355 FCDs of ₹100,000 each at conversion price of ₹204 per share in terms of the Scheme of Amalgamation during 2010-11.
- 173,759,567 equity shares of ₹10 each fully paid up has been issued pursuant to the Scheme of Amalgamation of PVP Ventuers Private Limited with the Company during 2007-08.
- PEL holds 10,90,235 equity shares of PVP, as these shares were acquired before the Company became its subsidiary. However, in terms of the provisions of section 42(3) of the Act, PEL does not have any rights to vote at meetings of PVP Ventures Ltd or any class of members thereof over these shares.

Note: 3 RESERVES AND SURPLUS

(₹ in Lakhs)

	As at 31/03/2012	Additions during the year	Deductions during the year	As at 31/03/2013
Securities Premium Reserve	85,591.90			85,591.90
Other Reserves	2,914.27	-	-	2,914.27
Surplus (P&L a/c) as under:	(71,175.47)	2,050.60	-	(69,124.88)
	17,330.70	2,050.60	-	19,381.30
Opening Balance	(71,515.94)			(71,175.47)
Profit / (Loss) for the period - From P & L	1,858.39	3,568.52	-	3,568.52
Less: Proposed dividends	-	-	-	-
Tax on distributed profits	-	-	-	-
Less: Amortization of Goodwill	(1,517.92)	(1,517.92)		(1,517.92)
Balance of Profit / (Loss)	(71,175.47)	2,050.60	-	(69,124.88)

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

- Consequent upon merger of erstwhile PVP Ventures Private Limited with the Company, goodwill of ₹15,179.21 lakhs was created which represented the excess of liabilities over assets taken over on merger. In terms of the Scheme of Amalgamation and the decision of the Board, it is being written off in a phased manner over a period of 10 years beginning April 01, 2008. Accordingly, during the year, the Company has amortized goodwill of ₹1,517.92 lakhs.

Note: 4 LONG-TERM BORROWINGS:

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
SECURED LOANS		
From Other - L&T Infrastructure Finance Company Limited	-	2,105.45
A	-	2,105.45
- Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited and Part of the shares held by PVP Energy Private Limited has been given as collateral security and also guaranteed by the promoters.		
UNSECURED LOANS		
From Banks - Vehicle Loans	17.82	
Debentures		
13,289 (2011: 13,289), 14.5% Redeemable Fully Convertible Debentures (FCDs) of ₹100,000 held by Platex Ltd, Holding Company	13,289.00	13,289.00
707 Compulsorily Convertible Debentures (CCDs) of ₹1,00,000/- each held by Platex Limited the Holding Company.	707.00	707.00
Debenture Application Money	0.59	0.59
Other loans and advances		
- From Other Body Corporate	145.50	145.50
A	14,159.91	14,142.09
A+B	14,159.91	16,247.54

- Platex Limited has extended the conversion/redemption option of the outstanding FCDs to March 31, 2016.
- The Debentureholder had waived the interest receivable on these FCDs for the entire year. Accordingly, the Company has not recorded the interest expenditure on FCDs amounting to ₹1926.91 lakhs (2012: ₹1,926.91 lakhs) in its books of account.
- PEL had issued 707, Zero Percent CCDs of ₹100000/- each, which are mandatorily convertible into equity shares of the Company either upon occurrence of a trigger event (which is defined to include public offering, takeover or merger etc. of the Company) or in case of non-occurrence of a Trigger Event, at any time during the period between Five (5) years to Ten (10) years from the date of issuance of the CCDs i.e. between June 16, 2014 and June 16, 2019. During the year, no such trigger event has taken place.

Note: 5 OTHER LONG TERM LIABILITIES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Security Deposit from Developer - Unsecured	8,621.40	12,163.24
Others		
- Security Deposit Payable	17.91	17.91
	8,639.31	12,181.15

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

Note: 6 LONG TERM PROVISIONS

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Employee Benefits (Refer Note No. 24.10)	24.81	27.05
	24.81	27.05

Note: 7 TRADE PAYABLE

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Sundry Creditors for services	545.73	29.34
	545.73	29.34

Note: 8 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Advance received for sale of UDS	11,228.16	7,423.12
Due to Developer	172.39	155.66
Statutory Liabilities payable	18.79	9.39
	11,419.34	7,588.17

Note: 9 SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Provision for income tax	929.79	18.91
Provision for Employee Benefits (Refer Note No. 24.10)	0.36	
	930.15	18.91

Note: 10 FIXED ASSETS - TANGIBLE

(₹ in Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land	1,516.77	-	1,516.77	0.00				-	0.00	1,516.77
Plant & Equipment	4.60	0.68		5.28	2.67	0.18		2.85	2.43	1.93
Furniture & Fixtures	92.39	7.50		99.89	4.01	6.16		10.17	89.72	88.38
Vehicles	23.68	23.53	2.78	44.43	9.89	3.74	1.39	12.24	32.19	13.79
Office Equipments	51.01	5.66	0.98	55.69	33.19	4.76	0.05	37.90	17.79	17.82
	1,688.45	37.37	1,520.53	205.29	49.76	14.84	1.44	63.16	142.13	1,638.69

Note: 11 FIXED ASSETS - INTANGIBLE

(₹ in Lakhs)

Description	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount	
	As at 31st March, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 31st March, 2012	Addition	Deletion	As at 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Goodwill	15,179.21			15,179.21	6,070.94	1,517.92		7,588.86	7,590.35	9,108.27
Goodwill on Consolidation	2,160.36			2,160.36					2,160.36	2,160.36
	17,339.57	-	-	17,339.57	6,070.94	1,517.92	-	7,588.86	9,750.71	11,268.63

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

Note: 12 NON CURRENT INVESTMENTS

		(₹ in Lakhs)	
		As at 31-03-2013	As at 31-03-2012
A	Investment in equity instruments		
	LONG TERM - AT COST - TRADE		
	(i) Quoted		
	Picturehouse Media Limited 42,45,718(PY 38,05,101) equity shares of ₹10 each		
	[Market value as at March 31, 2013 - 1510.62 Lakhs (2012: ₹981.72 Lakhs)]	790.17	673.42
	(A)	790.17	673.42
	(i) Quoted		
	Aptech Limited 100 equity shares of ₹10 each paid up		
	[Market value as at March 31, 2013 - ₹0.04 Lakhs (2012: ₹0.72 Lakhs)]	0.05	0.05
	(B)	0.05	0.05
	(ii) Unquoted		
	PVP Star Hotels Private Limited 12,500 Equity Shares of ₹10 each fully paid up	201.00	201.00
	Investment in preference shares		
	Jagati Publications Private Limited (JPL)		
	36,38,053 [2012 - 36,38,053] equity shares of ₹10/- each fully paid up at a premium of ₹350/- per equity share.	13,097.00	13,097.00
	Mimosa Enterprises Private Limited (MEL)		
	3,33,333 [2012 - 3,33,333] equity shares of ₹10/- each fully paid up at a premium of ₹290/- per equity share.	1,000.00	1,000.00
	(C)	14,298.00	14,298.00
	(i) Quoted		
	CFL Capital Financial Services Limited		
	2,000 13% cumulative preference share of ₹10 each paid up	2.00	2.00
	[Market value as at March 31, 2013 - ₹0.06 laks (2012: Nil)]		
	Less: Provision for diminution in value of investment	2.00	2.00
	(D)	-	-
	Investment in debentures		
	Crust Realtors Private Limited		
	3280 - 0% Optionally Convertible Debentures of ₹10,000/- each	328.00	328.00
	Mantel realtors Private Limited		
	5000 - 0% Optionally Convertible Debentures of ₹10,000/- each	500.00	500.00
	P'n'V Real Estates & Developers Private Limited		
	4500 - 0% Optionally Convertible Debentures of ₹10,000/- each	450.00	450.00
	Stone Valley Real Estates Private Limited		
	3500 - 0% Optionally Convertible Debentures of ₹10,000/- each	350.00	350.00

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Herrcules Real Estates & Projects Private Limited		
200 - 0% Optionally Convertible Debentures of ₹10,000/- each	20.00	20.00
5970 - 0% Optionally Convertible Debentures of ₹10,000/- each	597.00	597.00
convertible at any time within a period of 10 year into fully paid equity shares of ₹10/- each at a price to be determine by the Board of Directors of the Company.		
	2,245.00	2,245.00
Less: Provision for diminution in value of investment	597.00	597.00
(E)	1,648.00	1,648.00
Aggregate amount of quoted investments	790.22	673.47
Aggregate amount of unquoted investments	14,298.00	14,298.00
Aggregate amount of debentures	2,245.00	2,245.00
	17,333.21	17,216.47
Less: Aggregate provision made for diminution in value	597.00	597.00
	16,736.21	16,619.47

- PCPPL had invested a sum of ₹1,648.00 lakhs in 0% Optionally Convertible Debentures (OCDs) of certain companies, which are engaged in developing real estate projects. These OCDs are convertible at any time with in 10 years into fully paid equity shares of ₹10/- each at price to be determined by Board of Directors of PCPPL at the time of conversion. The Management has decided to carry these investments as long term and the fact that the investments have potential to generate returns only in the long run, no provision has been made for diminution, if any, in value of such investments.
- The management is of the opinion that the investments in JPL and MEL are fully represented by the value of the assets and business potential of the investee companies and hence no provision towards diminution in the value of such investments has been made in the books of account of the respective companies.

Note: 13 LONG TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at 31-03-2013	As at 31-03-2012
Security Deposits - Unsecured and considered good	162.38	12.42
Loans and advances		
Unsecured and considered good		
- Advance to Platex Limited (Holding Company)	-	21.18
- Advance to Others	20,050.10	15,762.89
- L & T Infrastructure Finance compnmay Limited	-	1,445.86
- Court Fees Recoverable	-	25.05
Considered doubtful - advance to others	5,856.38	5,856.38
	26,068.86	23,123.78
Less: Provision for doubtful advances	5,856.38	5,856.38
	20,212.48	17,267.40

- PEL has advanced as sum of ₹16,999.78 lakhs (PY: ₹13,272.22 lakhs) towards acquisition of land and other rights for its proposed power project's. In terms of the arrangements, these parties are required to facilitate acquisition of certain areas of land parcels within 24 months against which these advances are paid off, failing the completion of the land parcel, PEL may demand repayment of the advance and shall not be obliged to acquire the land parcel from these parties.

NOTES TO THE CONSOLIDATED ACCOUNTS As at 31st March 2013

Note: 14 OTHER NON CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Work in Progress of Inventory	30,846.84	30,856.91
Long term Trade receivable	0.01	0.54
	30,846.85	30,857.45

- NCCPPL, in earlier years, had given advances to few parties amounting to ₹7,459.76 Lakhs (PY: ₹7,461.26 Lakhs) towards acquisition of land development rights. These parties had executed various registered land development agreements, whereby irrevocable development rights over these lands have been given to the Company. Further, these parties also mortgaged the original title deeds relating to these properties in favour of the Debenture Trustee towards the security of the non-convertible debentures issued by NCCPPL to PVP. Hence, the Group considers these advances as good and recoverable and accordingly, no provision has been made towards these advances.

Note: 15 TRADE RECEIVABLE

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
- Unsecured considered good.		
Trade receivables outstanding for less than six months from the date they became due for payment	177.50	-
	177.50	-

Note: 16 CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Balance with banks	175.86	110.87
Cash on hand	3.44	3.39
Bank Deposits with more than 12 months maturity	23.45	33.24
	202.75	147.50

Note: 17 SHORT TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
- Unsecured considered good		
Other Advances	482.93	
Staff Advances	151.13	6.15
	634.06	6.15

Note: 18 OTHER CURRENT ASSETS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Interest accrued and due on investments	1.44	3.60
Advance Income Tax	792.12	126.91
Prepaid Expenses	118.45	3.07
	912.01	133.58

- Advance Income Tax includes a sum of ₹150 lakhs paid under protest for A.Y.2007-08. ₹400 lakhs has been paid as a representative assessee of Platex Ltd., pending appeals and chances of success in appeal these amounts are shown as recoverable dues.

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT & LOSS For the year ended 31st March 2013

Note: 19 OTHER INCOME

	(₹ in Lakhs)	
	For the year ended 31/03/2013	For the year ended 31/03/2012
Interest income	1,209.20	289.74
Profit on Sale of Fixed Assets	580.18	-
Dividend income	-	50.22
Miscellaneous income	0.17	0.09
	1,789.55	340.05

Note: 20 COST OF SALES

	(₹ in Lakhs)	
	For the year ended 31/03/2013	For the year ended 31/03/2012
Opening Stock of Land	8,430.59	8,420.29
Add: Current year Expenses	514.92	10.30
	8,945.51	8,430.59
Less: Closing Stock of Land	8,411.02	8,430.59
	534.49	-

Note: 21 EMPLOYEE BENEFIT EXPENSES

	(₹ in Lakhs)	
	For the year ended 31/03/2013	For the year ended 31/03/2012
Salaries and wages	255.59	144.56
Contribution to PF and other funds	2.44	1.10
Staff welfare expenses	3.84	3.25
Retirement Benefits	5.43	27.05
	267.30	175.96

Note: 22 OTHER EXPENSES

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Rent	26.06	26.97
Power & Fuel	4.66	4.83
Communication Expenses	7.90	6.85
Legal, Professional and consultancy	177.50	63.27
Books & Periodicals	0.20	0.02
Insurance	1.50	0.18
Printing & Stationery	8.84	5.12
Postage & Telegrams	2.41	2.86
Listing Fees & Others Expenses	25.61	22.71
Security Charges	6.57	3.98
Office Expenses	28.31	0.23
Business Development Expenses	31.38	2.23
Directors Sitting Fees	3.73	3.60
Repairs & Maintenance		
- For Others	5.77	13.44
Rates and taxes	13.75	9.75
Payment to statutory auditors		

NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT & LOSS For the year ended 31st March 2013

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
for statutory audit	16.51	16.46
for tax audit	2.25	2.76
for certification	2.53	1.65
for taxation matters	0.25	0.39
Bank Charges & Commission	0.93	0.87
Loss on sale of fixed assets	0.44	-
Bad debts Written off	12.39	-
Travelling Expenses and Conveyance	68.75	46.22
Miscellaneous expenses	29.44	0.90
	477.68	235.29

Note: 23 EXCEPTIONAL ITEMS

	(₹ in Lakhs)	
	As at 31-03-2013	As at 31-03-2012
Income from Laibilities Written off	(355.45)	
Provision No Longer Required written back	-	(202.00)
Loss on Sale of Investments	-	35.87
Loans & Advances Written Off	1,138.01	-
Income from Compromise Settlement of Legal dispute	(32.20)	-
	750.36	(166.13)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

Note 1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Principles of Consolidation

PVP Ventures Limited ("PVP") is the holding company of the Group. In preparation of these Consolidated Financial Statements, investments in subsidiaries and associates have been accounted for in accordance with Accounting for Consolidated Financial Statements (AS-21) under section 211(3C) of the Act. The Consolidated Financial Statements have been prepared on the following basis:

- (i) Subsidiary companies are those in which PVP, directly or indirectly, have an interest of more than one half of the voting power or otherwise have power to exercise control over the operations.
- (ii) All intercompany transactions, balances and unrealized surpluses and deficits on transactions between Group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.
- (iii) The difference between the costs of investment in the holding company over the net assets at the time of acquisition of shares in the holding company (before merger) is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iv) Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (v) Minority Interest's share of net assets of consolidated subsidiary for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- (vi) The Financial Statements of all the subsidiaries are drawn upto March 31, 2013.
- (vii) List of Subsidiaries of PVP as at March 31, 2013 considered for consolidation are as follows:

Name of Subsidiary Company	Country of incorporation	%age Holding of PVP	
		2012-13	2011-12
New Cyberabad City Projects Pvt. Ltd.(NCCPPL)	India	81	81
PVP Global Ventures Private Ltd (Formerly PVP Energy Private Limited (PEL)	India	100	100
Maven Infraprojects Private Limited (MIPL)	India	100	100
PVP Business Ventures Private Limited (PBVPL)	India	100	100
PVP Business Towers Private Limited (PBTPL)	India	100	100
PVP Corporate Parks Private Limited (PCPPL)	India	100	100
AGS Hotels & Resorts Private Limited (AHRL)	India	100	100
Cuboid Real Estates Private Limited (CRE)	India	100	100

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013**1.3 Revenue Recognition**

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

1.4 Fixed Assets

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

1.5 Depreciation

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

1.6 Impairments

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

1.7 Investments

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

1.8 Inventories

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

1.9 Employee Benefits**Gratuity**

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

Leave Encashment

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

Other Benefit Plans

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

1.10 Borrowing Cost

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit and loss.

1.11 Foreign Currency Transactions

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

1.12 Leases

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

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

1.13 Taxes on Income

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

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

1.14 Earnings Per Share

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

1.15 Cash Flow Statement

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

1.16 Provisions, Contingent Liabilities and Contingent Assets

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

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

Note 24. NOTES ON ACCOUNTS

24.1 Joint Development Agreement for Perambur Project

During the previous year first few phases of the Perambur Project were launched received good response from the market. It continued in the current year and has progressed considerably. As per the JDA, the Company received ₹5200.81 lakhs (PY: ₹7423.12 lakhs) as its share of collections from the Project. As per the policy of the revenue recognition the company has recognized revenue for the year ₹4576.70 and the balance are shown as Advance received for sale of UDS.

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

24.3 The Company owns land admeasuring 50 acres and 5 guntas and development rights over another 679 acres and 28 guntas at Nadergul at Shamshabad. As per the independent valuation done in May 2012, which has considered the present market and political conditions in Hyderabad and other factors, the fair market value of the above land and land development rights of 729 Acres and 33 Guntas is assessed to be ₹36466 lakhs, which is higher than their carrying cost of ₹22435 lakhs (PY: ₹22426 lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

24.4 Due to absence of profits, the Company has not created any debenture redemption reserve for the NCDs.

24.5 The Company holds investments aggregating to ₹13097 lakhs (2012: ₹13097 lakhs) in the equity shares of Jagati Publications Limited and ₹10 Crores(2012 : ₹1000 lakhs) in the equity shares of Mimosa Enterprise Pvt Ltd. The management is of the view that the investments made by the Company are fully represented by the value of the assets and business potential of Jagati and hence no provision is made towards diminution in the value of such investments.

24.6 Contingent Liabilities

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

AY to which demand relates	Amount (in Rs. Lakhs)	Pending before
Income tax		
2008-09	16,497.15	CIT (Appeals), Chennai
2007-08	819.31	ITAT, Hyderabad
2009-10	143.64	CIT(Appeals), Chennai
2010-11	793.30	CIT(Appeals), Chennai
2007-08	9.94	CIT(Appeals), Hyderabad
2009-10	70.60	CIT(Appeals), Hyderabad
Service tax		
2010-11	17.67	CIT – Service tax ,Chennai

24.7 The ability of the subsidiary companies of the Group to continue as going concerns is fully dependent on the commencement of their proposed projects, returns on investments made by them and alternative strategies to be evolved by the management and currently they depend on the financial and administrative support of PVP. The financial statements of these subsidiaries do not include any adjustment that may be required to the recoverability and classification of recorded asset or to the classification of the liabilities if these subsidiaries are unable to continue as going concerns.

24.8 Segment Reporting

The Holding Company, PVP Ventures Ltd and its subsidiaries operates only in Real Estate and Property development and allied activities. Since the group operations relates to one segment the segment reporting is not applicable.

24.9 Considering the brought forward losses available for set-off, Income tax provision has been made under MAT liability u/s 115JB of the Income Tax Act. As per prudent accounting policy the net deferred tax assets has not been recognized as at 31st March 2013.

24.10 Employee Benefits

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

Principal Actuarial assumptions used

	Year ended March 31, 2013	Year ended March 31, 2012
Discount rates	8.20%	8.65%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22 years	24 years

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

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

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Present Value of Obligation at the beginning of the period	7.13	-
Current service cost	2.06	2.03
Interest cost	0.66	-
Actuarial loss/(gain)	(4.25)	-
Benefits paid	Nil	Nil
Present Value of obligation at the end of the period	5.79	7.13

Actuarial gain/loss recognised

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Actuarial (gain)/loss for the year		
Obligations	4.25	Nil
Assets	Nil	Nil
Total (gain)/loss for the year	(4.25)	Nil

Amounts recognized in the balance sheet

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Present value of funded obligation	6.15	7.67
Less: Fair value of assets*	Nil	Nil
Net Liability / (Asset)	6.15	7.67

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

Expenses recognised in the profit & loss statement

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	2.06	2.04
Interest cost	0.66	Nil
Actuarial (gain)/loss	(4.25)	Nil
Cost recognized	(1.53)	7.67

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

Principal Actuarial assumptions used

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Discount rates	8.20%	8.65%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-
Expected Average remaining working lives of employees (years)	22 years	24 years

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

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

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Present Value of Obligation at the beginning of the year	19.38	Nil
Current service cost	(0.35)	19.38
Interest cost	1.68	Nil
Actuarial loss/(gain)	3.28	Nil
Benefits paid	(4.96)	Nil
Projected benefit obligation at the end of the period	19.03	19.38

Actuarial gain/loss recognised

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Actuarial (gain)/loss for the year		
Obligations	(3.28)	Nil
Assets	Nil	Nil
Total (gain)/loss for the year	3.28	Nil

Amounts recognized in the balance sheet

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Present value of funded obligation	19.03	19.38
Less: Fair value of assets	-	-
Net Liability / (Asset)	19.03	19.38

Expenses recognised in the profit & loss statement

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	(0.35)	19.38
Interest cost	1.68	Nil
Actuarial (gain)/loss	3.28	Nil
Cost recognized	4.61	(19.38)

Defined contribution plans

In respect of the defined contribution plans, an amount of ₹2.44 lakhs(2012: ₹1.10 lakhs) has been recognized in the Statement of Profit and Loss during the year.

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

	(₹ in Lakhs)	
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Travel related Expenses	Nil	Nil
London Stock exchange fee	10.69	10.41
Total	10.69	10.41

24.12 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

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

24.15 Earnings per Share (EPS):

Particulars		(₹ in Lakhs)	
		Year ended March 31, 2013	Year ended March 31, 2012
Nominal Value of Equity Shares (₹ per Share)	A	10	10
No. of Shares outstanding as at the year end	B	24,39,62,466	24,39,62,466
Weighted average number of Equity Shares outstanding during the year	C	24,39,62,466	24,39,62,466
Profit/(Loss) after Taxes before Exceptional Items (₹ in Lakhs)	D	4318.88	(107.65)
Profit/(Loss) after Taxes after Exceptional Items (₹ in Lakhs)	E	3568.52	59.42
Earnings Per Share–Basic and diluted (Before Exceptional Items) (in ₹)	(D*100000)/C	1.77	-0.04
Earnings Per Share–Basic and diluted (After Exceptional Items) (in ₹)	(E*100000)/C	1.46	0.02

Notes:

- Cross holding of equity shares are not considered in computing the EPS.
- The potential equity shares due on conversion of debentures outstanding as at March 31, 2013 would be anti-dilutive in nature, hence not considered for calculating the above EPS.

24.16 Lease Rentals

The Group has entered into operating leases agreements for office premises and an amount of ₹26.06 lakhs (2012: ₹26.97 lakhs) paid under such agreement have been charged to Statement of Profit and Loss. The details with regard to finance lease obligation are as under.

	(₹ in Lakhs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Due within 1 year from the Balance Sheet date	8.80	Nil
Due between 1 and 5 years	11.39	Nil
Due after 5 years	Nil	Nil

24.17 Related Party Disclosures

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

Names of the party	Relationship
Platex Limited (PL)	Holding Company
Mr. Prasad V. Potluri (PV) Mr.V.R.Arasu Mr.Vinay Chilakapathi	Key Managerial Personnel (KMP)
Mrs. Jhansi Sureddi Mrs. P. Sai Padma (PSP) Dr. Anne Sai Laxmana (ASL)	Relative of KMP
Maven BPO Services Private Limited (MBSPL) Whitcity Infrastructure (India) Private Limited (WIL) Godavari Infracon Private Limited (GIPL) Waltair Promoters Private Limited (WPPL) PKP Infraprojects Private Limited (PKP) PVP Megapolis Private Limited (PVPML) Shakti Realtors Private Limited (SRPL) Bruma Properties Private Ltd (BPPL)	Enterprises where KMP and relatives exercise significant influence

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended March 31, 2013

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

Nature of Transactions	Transactions for the year ended		Balance as at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(i) Unsecured Loans Availed (Net)/ Amount Payable				
(a) Holding Company- Platex Limited	Nil	Nil	13996.00	13996.00
(ii) Loans/Advances given				
(a) Holding Company- Platex Limited	21.18	Nil	Nil	21.18
(b) Enterprises where key management personnel exercise significant influence				
BPPL	Nil	Nil	35.00	35.00
PKP	Nil	Nil	Nil	Nil
SRPL	Nil	Nil	757.10	757.10
WIL	Nil	Nil	977.83	977.83
(d) Key Management Personnel and their relatives				
ASL	Nil	Nil	130.85	130.85
PSP	Nil	Nil	133.51	133.51
(iii) Provisions for Advances				
(a) Enterprises where key management personnel exercise significant influence-SRPL				
WIL	Nil	(2.00)	757.10	757.10
			977.83	977.83

24.18 The previous years figures have been regrouped/rearranged wherever necessary to make it comparable with the current year figures.

As per our Report of even date

For M/s CNGSN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm.Reg.No. 0049155

Sd/-
R.THIRUMALMARUGAN
Partner

Membership No. 200102

Place : Hyderabad
Date : May 27, 2013

For and on behalf of the Board of Directors

Sd/-
PRASAD V. POTLURI
Chairman & Managing Director

Sd/-
N.S. KUMAR
Director

Sd/-
G.S.V. RANGA
Head - Legal & Company Secretary

Place : Hyderabad
Date : May 27, 2013

Sd/-
R. NAGARAJAN
Director

Sd/-
KANNAN .S
Head - Finance & Accounts



PVP VENTURES LIMITED

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

ATTENDANCE SLIP

Registered Folio No.: Client ID/DPID:

Number of shares held:

I/we hereby record my/our presence at the 22nd Annual General Meeting of the Company to be held on Thursday, the September 26, 2013 at 10.00 A.M. at "Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

Note: (1) To be signed at the time of handing over this slip. (2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



PVP VENTURES LIMITED

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

PROXY FORM

I/We of
..... being a member/ members of the
above named company hereby appoint

..... of as my/our proxy
to vote for me/us on my/our behalf at the 22nd Annual General Meeting of the company to be held on Thursday, the September 26, 2013 at 10.00 A.M. at "Kamaraj Arangam", No. 492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006 and at any adjournment thereof.

Signed this day of 2013.

Please
Affix ₹1
Revenue
Stamp

NOTE:

A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself. (2) Proxy need not be a member. (3) The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.



BOOK POST



PVP VENTURES LIMITED

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