



PVP VENTURES LIMITED

Annual Report 2009 -10

PVP VENTURES LIMITED

19th Annual Report 2009-10

Contents

	Page No.
Company Information	see below
Notice of Annual General Meeting	1-3
Directors' Report	4-9
Report on Corporate Governance	10-17
Management Discussion and Analysis	18-19
Auditors' Report on Standalone Financial Statements	23-25
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28-29
Schedules forming part of Balance Sheet and Profit and Loss Account	30-37
Significant Accounting Policies and Notes on Accounts	38-46
Auditors' Report on Consolidated Financial Statements	49
Consolidated Financial Statements	50-53
Schedules forming part of Consolidated Financial Statements	54-61
Significant Accounting Policies and Notes on Consolidated Accounts	61-71
Attendance Slip and Proxy Form	73

Company Information

Board of Directors

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

Chief Financial Officer

Mr. Deepak Nagori

Company Secretary and Compliance Officer

Mr. Dhiraj Kumar Sinha

Board Committees

Audit Committee

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

Remuneration Committee

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

Shareholders'/Investors'

Grievance Committee

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

Registrar & Transfer Agents

M/s. Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar,
HITECH City road, Madhapur
Hyderabad-500086
Phone: +91-40-23420818-828
Fax: +91-40-23420814
Email: einward.ris@karvy.com

Auditors

M/s. PKF Sridhar & Santhanam
Chartered Accountants
Chennai

Bankers

Union Bank of India
HDFC Bank Limited
Kotak Mahindra Bank Limited

Registered Office

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

Corporate Office

Suite No. 1, Vatika Business Centre,
Third Floor, NSL Icon, Plot No. 1-4,
Road No. 12, Banjara Hills,
Hyderabad, India
Tel: +91-40-44311111
Fax: +91-40-44311159
Email: investorrelations@pvpglobal.com

Notice

NOTICE is hereby given that the 19th Annual General Meeting of the members of PVP Ventures Limited will be held on Thursday, September 30, 2010 at 10.00 A.M. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006, to transact the following Businesses:

Ordinary Businesses

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010, the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. S. Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

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

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

Special Business

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION to re-appoint Mr. Prasad V. Potluri as Chairman and Managing Director of the Company:

"RESOLVED THAT pursuant to the provisions of section 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, Mr. Prasad V. Potluri, be and is hereby re-appointed as the Chairman and Managing Director of the Company for a period of five years effective from December 04, 2010 to December 03, 2015 at a salary of Re. 1/- per annum and on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the terms and conditions of his appointment including remuneration herein may be altered and varied from time to time by the

Board of Directors of the Company (which term shall be deemed to include the Remuneration Committee constituted by the Board), so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

Hyderabad,
August 19, 2010

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. An explanatory statement, pursuant to Section 173(2) of the Act, relating to the special business, to be transacted at the Meeting is annexed hereto.
3. 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.
4. 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.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 23, 2010 to Thursday, September 30, 2010 (both days inclusive).

19th Annual Report 2009-2010

7. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/RTA and notify the Company's RTA, or the Depository Participants, in case of shares in dematerialized form, immediately of change, if any, in their registered address.
 8. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company had transferred the unpaid or unclaimed dividends, for the previous financial years upto 2001-02 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
 9. Further, in terms of section 205C (2) of the Companies Act, 1956 and the Rules made thereunder, the Company on December 15, 2009, deposited the unclaimed and unpaid deposit of Rs. 4,43,162/- with the IEPF.
 10. The Unclaimed Dividend for the year 2002-03 is lying in the Unpaid Dividend Account and can be claimed upto April 05, 2011. The Shareholders are requested to get in touch with the Company/RTA to encash the unclaimed dividend, if any, standing to the credit of their account related to 2002-03. The shareholders are requested to note that after April 05, 2011, such unclaimed dividend shall be transferred to the IEPF and thereafter, no claims in this respect shall lie against the IEPF or the Company and no payment shall be made in respect of such claims.
 11. 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.
 12. 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.
- 13. Details of Directors seeking appointment/re-appointment at the forthcoming AGM (pursuant to clause 49 of the Listing Agreement)**
- At the ensuing AGM, Mr. N. S. Kumar is retiring by rotation and being eligible, offers himself for reappointment as Director. Further, it is also proposed to re-appoint Mr. Prasad V. Potluri as Chairman and Managing Director of the Company for a period of five years from 04.12.2010 till 03.12.2015. In terms of clause 49 of the Listing Agreement, their profiles etc. are as follows:

Name of Director	Mr. N.S. Kumar	Mr. Prasad V. Potluri
Date of birth	06-01-1947	08-09-1970
Date of appointment on the Board	19-03-2001	04-12-2007
Qualifications	M. S. (Computer Science), B. E.	BME, MES
Expertise	Over 30 years of experience in IT Industry and management of projects	Over 20 years of entrepreneurship experience with a track record of interface with both US & Indian Markets. Expertise in building successful organizations based on organic growth and inorganic consolidation.
Directorships held in other public companies	Telephoto Entertainments Limited Electro Scan India Limited	Telephoto Entertainments Limited
Chairmanship/Membership of Committee in other public companies	Member-Audit Committee and Shareholders & Investors Grievances' Committee of PVP Ventures Limited & Telephoto Entertainments Limited	Member of Shareholders & Investors Grievances' Committee of PVP Ventures Limited
No. of shares held	NIL	NIL
Relationship with other directors of the Company	NIL	NIL

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

Item No. 5

The Shareholders of the Company in the 16th Annual General Meeting had appointed Mr. Prasad V. Potluri as Chairman and Managing Director from 04.12.2007 till 03.12.2010.

The Board of Directors at its meeting held on August 16, 2010 had re-appointed Mr. Prasad V. Potluri as Chairman and Managing Director for a period of five years from 04.12.2010 till 03.12.2015, subject to the approval of the members in the Annual General Meeting.

Hence, it is proposed to seek approval of the members for the re-appointment and remuneration payable to Mr. Prasad V. Potluri. Broad particulars of the terms of his appointment are as follows:

(i) He shall receive a salary of Re. 1/- per annum.

(ii) Perquisites

Medical re-imbusement, leave travel assistance for self and family, premium on personal accident/mediclaime insurance and such other benefits and allowances, in accordance with the rules applicable to the Senior Executives of the Company.

The value of these perquisites shall be determined in accordance with applicable laws and in the absence thereof, these perquisites shall be valued at actual cost to the Company.

(iii) Re-imbusement of expenses

Re-imbusement of expenses incurred for travelling, boarding and lodging during business trips, provision of company's car with driver, petrol and maintenance for use on the Company's business, provision of internet, telephones and mobile phone expenses and club membership shall be re-imbursed and not considered as perquisites.

(iv) General

(a) The Office of Managing Director may be terminated by the Company or the concerned

Director by giving 3 (three) months prior written notice.

- (b) Mr. Prasad V. Potluri shall be entrusted with the substantial powers of management of the Company's business and its affairs, subject to the superintendence, control and directions of the Board of Directors. He shall carry out the orders and directions given by the Board from time to time and shall also assist the Board in proper and effective exercise of its powers and discharge of functions.
- (c) During the continuance of his appointment, he shall devote his full time and attention to the Company's work and shall use his best Endeavour for promotion of the interest and welfare of the Company.
- (d) If he ceases to hold office of the Director for any reason, he shall immediately cease to be the Managing Director.
- (e) He shall not be entitled to any sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.
- (f) His services will be governed by the service rules of the Company, as may be in force from time to time in so far as they are not at variance with the terms herein contained.

Mr. Prasad V. Potluri satisfies all the conditions as set out in Part-I of Schedule XIII to the Act for being eligible for the re-appointment.

The above may be treated as an abstract of the terms of his appointment under section 302 of the Act.

Mr. Prasad V. Potluri is interested in this resolution as it pertains to his appointment and remuneration. Save and except Mr. Prasad V. Potluri, none of other directors of the Company is, in any way, concerned or interested in the Resolution.

The Board recommends this Resolution for your approval by way of Ordinary Resolution.

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

Dhiraj Kumar Sinha
(GM-Legal & Company Secretary)

Hyderabad,
August 19, 2010

Directors' Report

Your Directors have pleasure in presenting the Nineteenth Annual Report on the business and operations of the Company together with audited annual accounts for the financial year ended March 31, 2010.

Consolidated Financial Results

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Total Income	420.04	2167.77
Operational, Administration and other expenses	48,765.49	3627.48
Profit/(Loss) before Depreciation, Interest and Tax	(48,345.45)	(1459.71)
Depreciation	104.66	353.19
Interest and Finance Charges	1,346.94	2559.6
(Loss) before Extra ordinary items, Minority interest and income tax	(49,797.05)	(4372.51)
(Loss) before tax and Minority Interest	(49,824.12)	(4372.51)
Provision for taxation	(106.8)	74.14
Provision for minority interest	-	(161.34)
(Loss) after tax and Minority Interest	(49,717.32)	(4285.31)

Review of Operations

The Company is yet to recover from the unprecedented global meltdown in real estate market and macroeconomic environment of the last financial year. However, as per the independent valuation, the estimated value of its Perambur land is around Rs. 700 Crores. Further, during the last year, PVP Corporate Parks Private Limited ("PVPCP"), a wholly owned subsidiary of the Company sold Vadapalani property at Chennai to M/s. SRM University for a sale consideration of Rs. 140.04 Crores. The sale proceeds thereof was utilised to pay off the debts of the secured creditors (Banks) and other financial commitments of PVP Group. Further, during the year, PVPCP sold few floors of KRM Centre, Chennai to repay the debts of a secured creditor. However, the Company is considerably deleveraged with minimal debt and high quality asset base.

Perambur Project

The Perambur project of the Company is expected to receive all the necessary approvals very soon and may be launched within the current fiscal year.

Investments in Malaxmi Energy Ventures

The Company, through its subsidiary and associate, had invested in excess of Rs. 15 Crores in Malaxmi Energy Ventures (India) Private Limited ("MEV") with the main understanding/agreement that its stake in Navabharat Power Private Limited ("NPPL") would be vested with the

Company, either by way of merger or acquisition. Your Directors inform the members that the Company made these investments to fund the project related expenses and working capital requirements of MEV and NPPL, at the time when the global and Indian economy were under financial distress. However, the promoters of MEV, in spite of PVP Group having pledge over 100% of shareholding of MEV, had fraudulently sold their stake in NPPL to a third party. The Company has approached the Court(s) seeking appropriate legal remedy(ies) against MEV, its promoters and NPPL.

Dividend

In view of the losses of the Company, no dividend has been recommended by the Board for the financial year 2009-10.

Conversion of FCDs held in PVP Energy Private Limited

During the year, the Company converted 54,104 Fully Convertible Debentures of Rs. 1,00,000 each held in its 100% subsidiary company, PVP Energy Private Limited (formerly known as PVP Malaxmi Energy Ventures Private Limited) into 45,92,869 fully paid up equity shares of Rs. 10 each at a premium of Rs. 1168/- per share.

Directors

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

During the year, Mr. Tarun Gandhi and Mr. Sachendra Tummala resigned w.e.f. June 30, 2009 and Mr. Y. Harish Chandra Prasad resigned w.e.f. November 24, 2009.

As per the Articles of Association, Mr. N.S. Kumar, retires by rotation in the ensuing AGM and being eligible, offers himself for reappointment. Further, the Board of Directors at its meeting held on August 16, 2010 had re-appointed Mr. Prasad V. Potluri as Chairman and Managing Director for a period of five years from 04.12.2010 till 03.12.2015, subject to the approval of the members in the Annual General Meeting.

Brief profiles etc. of Mr. N.S. Kumar and Mr. Prasad V. Potluri, as stipulated under Clause 49 of the Listing Agreements, are provided in the notes attached to the Notice calling the AGM. The broad particulars of the terms and conditions of appointment of Mr. Prasad V. Potluri as Chairman and Managing Director are also contained in the explanatory statement calling the AGM. Further, necessary resolution for his appointment is incorporated in the Notice calling the AGM.

Subsidiaries

As on March 31, 2010 and on the date of this report the Company has the following Ten (10) subsidiaries:

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

* Direct subsidiary of Telephoto Entertainments Limited

The Ministry of Corporate Affairs, Government of India, vide order No. 47/542/2010-CL-III dated June 10, 2010 has granted approval that the requirements to attach various documents in respect of the subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached to the Balance Sheet of the Company. Financial information of the subsidiary companies, as required by the said order, is annexed as **Annexure-I** to this Report. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

Operations of the Subsidiaries

During the year, PVP Corporate Parks Private Limited sold its Vadapalani property at Chennai to M/s. SRM University for a sale consideration of Rs. 140.04 Crores and also sold few floors of its property KRM Center, Chetpet at Chennai. PVP Group utilised the sale proceeds to pay off secured lenders and honour other financial commitments.

PVP Energy Private Limited ("PEL") has been exploring various options to diversify into power and energy space and is currently in discussions with various parties to acquire greenfield and/or operating power projects. Further, during the year, PEL sold the certain treasury stocks of the Company to raise funds for working capital and power generation initiatives.

New Cyberabad City Projects Private Limited owns substantially large real estate asset at Shamshabad, near International Airport at Hyderabad. However, in view of the down-turn in the real estate sector and the continuing political imbroglio in Hyderabad, a significant delay is expected for this Project.

Group

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

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

Management Discussion and Analysis Report

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

Corporate Governance

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

Auditors' report

The Auditors Report together with the Audited Accounts for the financial year ended March 31, 2009 and the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

As regard to the observations of the Auditors in the Auditors' Report on the Standalone and Consolidated Financial Statements, the Board would like to comment as follows:

Standalone financials

- (i) Board's comments on the Para 4 of the Auditors' Report

The Perambur Project of the Company expected to receive all the necessary approvals very soon and may be launched within the current fiscal year. The Company expects that once the Perambur project is launched, it would generate sufficient cash flow to meet the operating and administration expenses of the Company. Hence, the financial statements of the Company are prepared on a going concern basis.

19th Annual Report 2009-2010

- (ii) Board's comments on the Para 5(vi) of the Auditors' Report

The Directors, based on the independent valuations of the assets held by these companies, believe that the investments made and advances given are sufficiently covered and fully recoverable. Accordingly, the Directors feels that no further provision for these investments and advances, other than that made in the books, are required.

- (iii) Board's comments on the Para (iii)(a) of Annexures to the Auditors' Report

These unsecured loans were given to wholly owned subsidiaries of the Company and are repayable on demand for the value shown in the books.

Consolidated financials

- (i) Board's comments on the Para 4 of the Auditors' Report

The necessary adjustments have been made to reflect the correct position of Goodwill on consolidation.

- (ii) Board's comments on the Para 5(a) of the Auditors' Report

The Company credits the capital profits to its Reserves and Surplus instead to Profit & Loss Account.

- (iii) Board's comments on the Para 5(b) of the Auditors' Report

The Directors, based on the independent valuations of the assets held by these companies, believe that the investments made and advances given are sufficiently covered and fully recoverable. Accordingly, the Directors feel that no further provision for these investments and advances, other than that made in the books, are required

- (iv) Board's comments on the Para 5(c) of the Auditors' Report

In accordance with the provisions of section 309 (5A) of the Act, such amount is refundable to the subsidiary company and hence it is accordingly shown as receivable in the books. Until such amount is refunded, it will be held in trust for the subsidiary company.

Auditors

During the year M/s. Pricewaterhouse, Chartered Accountants had resigned as Statutory Auditors of the Company w.e.f. November 30, 2009 and M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company pursuant to the approval of shareholders w.e.f. March 19, 2010.

Further, M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, the retiring Auditors have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company at the ensuing Annual General Meeting. Hence, it is proposed to appoint M/s. CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

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

Consolidated Financial Statements

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

Public Deposits

The Company has not accepted/renewed any fixed deposits during the year under review. However, in accordance with the provisions of section 205C (2) of the Companies Act, 1956 and the Rules made thereunder, the Company on December 15, 2009, deposited the unclaimed and unpaid deposit of Rs. 4,43,162/- with the Investor Education and Protection Fund set up by the Central Government.

Particulars of employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees forms part of the Directors' Report.

However, in terms of provisions of Section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

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

Particulars regarding technology absorption, conservation of energy and foreign exchange earning and outgo required under section 217 (1)(e) of the Companies Act,

1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are annexed as **Annexure-II** of this Report.

Responsibility Statement of the Directors

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

- (i) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2010 and of the loss of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the Directors have prepared the annual accounts on a going concern basis.

Acknowledgement

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

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and Managing Director)

August 16, 2010
Hyderabad

Financial information of the subsidiary companies as required by the Order No. 47/542/2010-CL-III dated June 10, 2010 of Ministry of Corporate Affairs, Government of India, forming part of the Directors' Report for the year ended March 31, 2010

(All Amounts in Rs.)

Name of the subsidiary	TEL	NCCPPL	PEL	PVPCP	AGS Hotels	PVP Screens	M IPL	PVPBV	Cuboid	PVPBT
Particulars										
Paid up Capital	61,366,110	10,100,000	56,028,690	5,000,000	35,810,000	300,000	100,000	1,00,000	100,000	100,000
Reserves	(62,245,174)	(946,184,967)	423,476,023	362,720,046	(31,821,251)	(47,422,705)	(51,473,069)	(195,421)	(112,448)	(129,975)
Total Assets	633,041	2,559,361,980	20,656,864	289,883,147	4,051,068	291,088	29,378	200,563	201,796	296,788
Total Liabilities	1,512,105	3,495,446,947	1,220,291,756	86,963,101	62,319	47,413,793	51,402,447	550,295,664	350,214,244	300,326,763
Investments	Nil	Nil	1,679,139,607	164,800,000	Nil	Nil	Nil	549,999,680	350,000,000	300,000,000
Turnover	Nil	Nil	Nil	17,525,478	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) Before Taxation	(557,817)	(303,495,223)	(4,430,445,378)	(10,169,416)	(115,109)	(139,407)	(45,001,386)	(610)	(500)	(500)
Provision for Taxation	Nil	Nil	Nil	12,060,392	Nil	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) After Taxation	(557,817)	(303,495,223)	(4,430,445,378)	1,890,976	(115,109)	(139,407)	(45,001,386)	(610)	(500)	(500)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Abbreviations used:

TEL-Telephoto Entertainments Limited, NCCPPL-New Cyberabad City Projects Private Limited, PEL-PVP Energy Private Limited, PVPCP-PVP Corporate Parks Private Limited, AGS Hotels-AGS Hotels & Resorts Private Limited, PVP Screens-PVP Screens 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, 2010.
 - 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 (Previous year-15,27,776) equity shares of Rs.10 each fully paid @ Rs. 360 per share
 - Investments made by Cuboid is in M/s. Jagati Publications Private Limited of 9,72,222 (Previous year-9,72,222) equity shares of Rs.10 each fully paid @ Rs. 360 per share
 - Investments made by PVPBT is in M/s. Jagati Publications Private Limited of 5,55,555 (Previous year-Nil) equity shares of Rs.10 each fully paid @ Rs. 360 per share and in M/s. Mimosa Enterprises Private Limited of 3,33,333 (Previous year-Nil) equity shares of Rs.10 each fully paid @ Rs. 300 per share
 - Investments made by PEL includes:
 - 8,016,235 (Previous year-35,396,116) equity shares of Rs. 10 each fully paid up of PVP Ventures Limited, the Holding Company @ Rs. 208 per share acquired through Open Offer and from the erstwhile promoters of the Company
 - 6,85,487 (Previous year- 6,85,487) equity shares of Rs.10 each fully paid up of Telephoto Entertainments Limited @Rs. 31.50 per share acquired through Open Offer

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

August 16, 2010
Hyderabad

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

A.	Conservation of Energy			
(a)	Energy conservation measures taken	Your Company uses energy efficient equipments in its offices and other premises. Periodic tests are also conducted on equipments like air conditioners and lighting and necessary steps are being taken to conserve energy.		
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	NA		
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	NA		
(d)	Total energy consumption and energy consumption per unit of production	NA		
B.	Technology absorption	NA		
(e)	efforts made in technology absorption as per Form B of the Annexure			
C.	Foreign exchange earnings and outgo	The Company does not have any export as such, as the immovable properties are incapable of being exported. However, the Company intends to take initiatives, alongwith its JDA Partners to sell the immovable properties to the customers abroad once its projects take off.		
(f)	activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans			
(g)	Total foreign exchange used and earned	(Rs. in Lakhs)		
		Particulars	Current year	Previous year
		Foreign exchange earnings	NIL	NIL
		Foreign exchange outgo:		
		Travel related Expenses	2.05	4.9
		Other Expenses	11.66	0.51
		Total	13.71	5.41

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

August 16, 2010

Hyderabad

19th Annual Report 2009-2010

Report on Corporate Governance

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

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

Board Composition and the meetings

The Board of Directors of the Company, as on the date of this Report, comprises of three (3) directors with Mr. Prasad V. Potluri as Chairman & Managing Director and Mr. R. Nagarajan and Mr. N.S. Kumar are the Independent & Non-Executive directors.

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

During the financial year, Seven (7) board meetings (including an adjourned meeting) were held on June 30, 2009, July 14, 2009, July 31, 2009, August 25, 2009, October 30, 2009 and January 31, 2010. The maximum interval between any two Board meetings was of 90 days.

Attendance of Directors at Board Meetings for the financial year 2009-2010, and at the AGM and the number of directorships and memberships/chairmanships of Board Committees as on March 31, 2010 and details of Board meetings are given below:

Name of the Director	DIN	Attendance		No. of Directorships and Committee Memberships/ Chairmanships including those of PVP Ventures Limited		
		Board Meetings	Last AGM	Other Directorships#	Committee Memberships@	Committee Chairmanships@
Mr. Prasad V. Potluri	179175	1	Yes	1	1	Nil
Mr. R. Nagarajan	443963	7	Yes	4	5	5
Mr. N. S. Kumar	552519	7	Yes	2	5	Nil
Mr. Sachendra Tummala*	2317514	Nil	No	Nil	Nil	1
Mr. Tarun Gandhi*	271729	Nil	No	7	Nil	Nil
Mr. Y. Harish Chandra Prasad**	15202	Nil	No	2	1	Nil

* Resigned w.e.f. June 30, 2009 ** Resigned w.e.f. November 24, 2009

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

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

Board Procedures

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

Code of Conduct for Directors & Senior Management

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

I confirm that the Company has obtained confirmation from all its directors and the designated senior management that they have complied with the provisions of the Code of Conduct, as may be applicable to them, during the financial year 2009-2010.

Prasad V. Potluri August 16, 2010
(Chairman & Managing Director) Hyderabad

Committees of the Board

(I) Audit Committee

As on March 31, 2010, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N.S. Kumar, all independent directors. The Company Secretary of the Company acts as the Secretary of this Committee. During the year, Mr. Y. Harish Chandra Prasad had resigned as a member of the Audit Committee.

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

Meetings and attendance of the Audit Committee during the year

Director	No. of Meetings held (including adjourned meetings, if any)	No. of Meetings attended
Mr. R. Nagarajan	5	5
Mr. N.S. Kumar	5	5
Mr. Y. Harish Chandra Prasad*	5	Nil

*Resigned w.e.f November 24, 2009

(II) Remuneration Committee

As on March 31, 2010, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N.S. Kumar, all independent directors. The Company Secretary of the Company acts as the Secretary of this Committee. However, during the year, no meeting of the Remuneration Committee was held.

Remuneration paid to the Directors during the year 2009-10

Mr. Prasad V. Potluri, Chairman and Managing Director, receives salary of Re. 1/- per annum in addition to reimbursement of the expenses incurred for the Company’s business. The Company has not paid any remuneration to its non-executive directors, except the sitting fees paid for attending the meetings of the Board and Audit Committee @ Rs. 20,000 per meeting and for Shareholders/Investor Grievances Committee @ Rs. 5000 per meeting. The

Company does not have any employee stock option scheme in force.

Details of equity shares of the Company held by Directors as on March 31, 2010

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

(III) Shareholders’ /Investors’ Grievance Committee

As on March 31, 2010, this Committee comprised of Mr. R. Nagarajan (Chairman), Mr. N. S. Kumar and Mr. Prasad V. Potluri. It approves the transfer and transmission of securities; issuance of duplicate share certificates, redressal of investors’ grievances. It also suggests and monitors measures to improve investor relations.

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

Disclosures

- (i) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives etc. during the year, that may have potential conflict with the interests of the Company at large. The Company’s related party transactions are generally with its subsidiaries and associate companies. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, legal requirements and capital requirements of these subsidiaries and associate companies. All related party transactions are intended to further the business interests of the Company.
- (ii) The Company submitted the audited annual financial results for the year ended March 31, 2010 on July 30, 2010 whereas the due date under the Clause 41 of the Listing Agreements was May 30, 2010. Further, the Company submitted the Limited review report of its Auditors for the unaudited financial results for the quarter ended December 31, 2009 on July 30, 2010 whereas the due date under the Clause 41 of the Listing Agreements was February 28, 2010. The Company has submitted applications to the SEBI seeking its consent orders for these delays. Except as stated above, there was no non-compliance during

19th Annual Report 2009-2010

the last three years by the Company on any matter related to Capital Markets. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

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

General Body Meetings

A. Annual General Meetings

The Annual General Meetings of the Company are

held at Kamaraj Arangam, No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai-600006. The details of the AGM held during the last 3 years and the special resolutions passed thereat are as follows:

Date of AGM & Time	Subject matter of the special resolution(s)
March 29, 2008 (10:35 AM)	Alteration of Articles of Association to increase the sitting fees
September 29, 2008 (10:15 AM)	Delisting of shares from Madras Stock Exchange Limited
September 30, 2009 (9.15 AM)	Nil

B. Extra-Ordinary General Meetings

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

C. Postal Ballots

During the year, the following two resolutions were passed by obtaining approval of the shareholders through postal ballot:

- (i) Appointment of M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai as the statutory auditors of the Company
- (ii) Further issuance of securities for an amount upto Rs. 500 Crores.

The results of the Postal Ballot, declared on Friday, March 19, 2010, were as follows:

	Ordinary resolution for Appointment of Statutory Auditors of the Company	Special Resolution for Further Issue of securities
1. Net valid number of votes (no. of shares)	15,54,59,669	15,54,45,664
2. No. of votes (no. of shares) with assent to the Resolution	15,54,31,982	15,53,61,714
3. No. of votes (no. of shares) with dissent to the Resolution	27,687	83,950
4. Percentage of votes (% age of shares) with assent to the Resolution	99.98%	99.95%
5. Percentage of votes (%age of shares) with dissent to the Resolution	0.02%	0.05%

Means of Communication

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

Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important

information is circulated to the members and others entitled thereto.

General Shareholders Information

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

Corporate Governance Certificate

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

CEO and CFO Certification

A certificate from the Chairman and Managing Director and the Chief Financial Officer of the Company on financial reporting and internal controls to the Board in terms of Clause 49 is annexed to this Report.

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

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

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and Managing Director)

August 16, 2010
Hyderabad

19th Annual Report 2009-2010

General Shareholder's Information

Registered Office	KRM Centre, 9 th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031 Phone: +91-44-30285570, Fax: +91-44-30285571
Investor Helpline	The Company Secretary PVP Ventures Limited KRM Centre, 9 th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031, Phone: +91-44-30285570, Fax: +91-44-30285571 Email: investorrelations@pvpglobal.com
Registrar and Share Transfer Agents	M/s. Karvy Computershare Private Limited Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road, Madhapur, Hyderabad-500086 Phone: +91-40-23420818-828 Fax: +91-40-23420814, Email: einward.ris@karvy.com Karvy is also the depository interface of the Company with both NSDL and CDSL
Date, place and time of Annual General Meeting	September 30, 2010 at 10.00 A.M. "Kamaraj Arangam", No.492 (Old No.574-A), Anna Salai, Chennai – 600 006
Book Closure	September 23, 2010 to September 30, 2010 (both days inclusive)
Financial Calendar 2009-10	Adoption of Quarterly Results for the Quarter ending: 30-Jun-10 August, 2010 30-Sep-10 November, 2010 31-Dec-10 February, 2011 31-Mar-11 May, 2011 Instead of publishing unaudited quarterly financial results for the last quarter, the Company may also opt to publish audited annual accounts by May 30, 2011
Listing on Stock Exchanges	The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE'), the National Stock Exchange of India Limited ('NSE'). In accordance with the decision taken by the shareholders at the 9 th AGM, the Company on 09.10.2008 had submitted application to Madras Stock Exchange (MSE) for delisting of its equity shares. However, we are yet to receive the formal approval. In the absence of any communication in this regard, the Company presumes that it is delisted from MSE. The GDRs of the Company are listed on the main market of the London Stock Exchange Limited, London. The annual listing fees for the year 2010-11 have been paid to all the above Stock Exchanges.
Reuters code: Bombay Stock Exchange- PVP National Stock Exchange- PVP London Stock Exchange- PVP	Bloomberg code: Bombay Stock Exchange- PVPV:IN National Stock Exchange- PVP:IN

Stock Market data

Monthly high and low quotations, in Rupees, of the shares traded at BSE and NSE from April 2009 to March 2010 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	Highest	Lowest	Highest	Lowest
April 2009	14.91	9.70	14.90	10.00
May 2009	23.07	13.50	23.15	13.40
June 2009	32.05	19.45	31.95	19.55
July 2009	35.40	25.10	35.45	25.25
August 2009	51.35	29.50	52.35	29.50
September 2009	60.30	42.10	60.15	42.20
October 2009	51.70	39.15	51.45	39.00
November 2009	38.80	26.20	39.50	26.35
December 2009	30.90	23.70	31.00	24.10
January 2010	30.80	20.10	30.70	20.30
February 2010	29.85	21.30	30.50	21.15
March 2010	26.20	17.30	26.80	17.40

Distribution of Shareholding as on March 31, 2010

No. of shares	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-5000	31675	96.51	14279500	6.16
5001-10000	546	1.67	4208408	1.82
10001- 20000	258	0.79	3773949	1.63
20001-30000	104	0.31	2641448	1.14
30001-40000	49	0.15	1719981	0.74
40001- 50000	41	0.12	1891380	0.82
50001-100000	67	0.20	4889062	2.11
100001 & above	79	0.24	198239659	85.58
Total	32819	100.00	231,643,387	100.00

Dematerialisation status as on March 31, 2010

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

Shareholding Pattern as on March 31, 2010

Category of Shareholder	No. of shares held	%age of shareholding
Promoters	15,32,86,722	66.17
Mutual Funds/ UTI	29,16,905	1.26
Financial Institutions/ Banks	4,46,340	0.19
Foreign Institutional Investors	1,05,43,675	4.55
Bodies Corporate	2,73,44,491	11.81
Non Resident Indians	45,52,578	1.97
Custodian of GDRs	92,218	0.04
Resident Individuals	3,24,60,458	14.01
TOTAL	231,643,387	100.00

Outstanding GDRs data

As on March 31, 2010, 922180 GDRs represented by 92218 underlying equity shares were outstanding (10 GDRs represent 1 Equity Share of the Company). These GDRs are listed on the main market of the London Stock Exchange Limited, London under the symbol of "PVP".

Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified practicing Company Secretary carries out the Secretarial Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository

19th Annual Report 2009-2010

Services (India) Limited (CDSL) and physical with the total listed capital and paid-up capital. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

Share Transfer System

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

Unclaimed dividend for the previous years

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company during the financial year had transferred the unclaimed dividend for the year 2001-02 to the IEPF. The Unclaimed Dividends for the year 2002-03 are lying in the Unpaid Dividend Account and can be claimed upto April 05, 2011. Shareholders are requested to get in touch with the Company to encash the unclaimed dividend, if any, standing to the credit of their account related to the financial year 2002-03.

The Shareholders are requested to note that after this date, such unclaimed dividends shall be transferred to the IEPF and thereafter, no claims in this respect shall lie against the IEPF or the Company and no payment shall be made in respect of such claims.

For and on behalf of the Board of Directors

Prasad V. Potluri
(Chairman and Managing Director)

August 16, 2010
Hyderabad

CEO AND CFO CERTIFICATION

July 30, 2010

**The Board of Directors
PVP Ventures Limited**

Dear Sirs,

We, Prasad V. Potluri, Chairman & Managing Director and Deepak Nagori, Chief Financial Officer of PVP Ventures Limited ("the Company") certify to the Board, in terms of the requirement of Clause 49(V) of the listing agreement, that we have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that:

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

Prasad V. Potluri

(Chairman & Managing Director)

Deepak Nagori

(Chief Financial Officer)

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, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

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

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

V. Mahesh

Company Secretary in Practice
CP No.2473

Place: Chennai
Date: 16.08.2010

Management's Discussion and Analysis

Forward-looking Statements

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

Overview FY 2009-10

In 2009-10, the world and Indian economy started showing signs of a gradual recovery from the ill-effects of the worst ever financial turmoil and recession seen in recent times. The pace of economic growth has slowed down across the world in the last couple of years. However, the Indian economy and other developed nations has shown a relatively higher growth. However, challenges of sustainability of growth in a government aided, credit constrained and high unemployment environment still remain.

The Company was also affected by the financial crisis as its real estate projects got delayed and fund raising initiatives were also hit. Due to the liquidity crisis, the Company's subsidiary sold few of its properties to repay its secured creditors and to fund operating expenses of the Group.

Future Outlook, Industry structure and development

The Indian Real Estate market, particularly the residential asset class, is showing some signs of recovery recently. Also, our economy is being driven by strong fundamentals, demographic features and a stable and pro-reforms Indian Government. However, the rising inflation is a main worry for the public and the government.

However, despite these challenges, the Company is optimistic about the real estate and energy sector in India. Power is the critical infrastructure on which the socio-economic development of any country depends. The Company is optimistic about its endeavours in the energy sector and hopes that its efforts bear some result.

Challenges, Risks and Concerns

The real estate sector has been severely impacted due to the economic slowdown and rising costs of funds. However, there are certain key challenges and risks that need to be actively monitored and mitigation steps to be taken as and when required, like rising rate of interest, increase in cost of materials, unclear land policy, lack of desirable progress in infrastructure development and Implementation of new Direct Tax Code, newer regulations to control the industry by the Government.

This sector requires large amount of funds for investment which has further brought the sector under pressure. Slowdown in industry generally and specifically to IT Industry and job losses had adverse impact on the sector. Difficulty in getting finance at reasonable cost may hamper the business. Due to volatility in economic conditions investors may not be interested to invest in this sector. While these concerns are valid to some extent, the Company believes that large real estate players will be able to control the situation because of their skills, competencies, professional management and demand supply gap.

The Company is proactively committed to mitigate the risks and concerns of the business. Some of the risks that may be faced by PVP are as follows:

Market recession: Due to challenging market conditions, the projects of PVP might encounter fall in demand. To mitigate this risk, we have prepared road maps to diversify into energy sector and infrastructure development.

Project execution: To mitigate risks associated with project execution, we have joined hands with Unitech Limited and Arihant Foundations to construct, develop and market the Perambur Project.

Regulations: We also face risks associated with not meeting statutory regulations. To mitigate this risk, we have a compliance system to ensure legal, tax and other regulatory compliance for the Company and other group entities.

Human resources: We strongly believe that our growth is dependent on the capabilities of our people. During the year, the Company has rationalized its workforce consequent to the downturn in the economy. However the Company continues to develop and retain the best available talent.

Financial resources: Our past track records for fund raising are very encouraging and the management enjoys great rapport with the Investors community.

Internal Control Systems and their Adequacy

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

Discussion on Financial Performance

Reserves & Surplus

The Reserves & Surplus have decreased from Rs. 54,927.83 Lakhs to Rs. 16,247.17 Lakhs, mainly on account of losses and amortization of goodwill.

Secured Loans

Secured loans have decreased from Rs. 9,302.16 Lakhs to Rs. 5,913.16 Lakhs due to repayments during the year.

Unsecured Loans

The unsecured loan from a subsidiary company, New Cyberabad City Projects Private Limited (NCCPPL) has decreased from Rs. 5,635.17 Lakhs to Rs. 3,450.51 Lakhs due to repayments.

Fixed Assets

The Fixed Asset Schedule shows a net Goodwill amount of Rs. 12,144.12 Lakhs, arising as a result of acquisition of PVPPL. The net block of fixed assets decreased due to amortization of goodwill @ 10% per annum.

Investments

The Company, during the year, converted its entire investments in its wholly owned subsidiary, PVP Energy Private Limited (PEL), from Fully Convertible Debentures to Equity Shares. On account of the steep fall in the market price of the shares of the Company held by PEL, the Company has made a provision of Rs. 300 crores on account of diminution in value of this investment.

Inventories

The Company's 70 acre land at Perambur, Chennai is classified under inventories (WIP) and the book value of the same as on 31st March 2010 is Rs. 8,083.59 Lakhs. The Company's land at Raikuntha Village, Shamshabad, Hyderabad is also classified under inventories and the same has a book value of Rs. 184.05 Lakhs as on that date.

Other Current Assets

Other Current Assets are Interest accrued on debentures/ deposits of Rs. 2.03 Lakhs.

Results of Operations

Income from operations is NIL for the year under review since the Project of the Company are in development stage.

Total Administrative and other expenses stand at Rs. 814.36 Lakhs. An analysis of the various Administrative and other expenses is given below:

ADMINISTRATION AND OTHER EXPENSES	Rs. in Lakhs	% of total
Salaries, Wages and Bonus	195.52	24.0%
Contribution to Provident Fund and Other Funds	2.22	0.3%
Staff Welfare Expenses	3.05	0.4%
Rent	279.09	34.3%
Power and Fuel	3.20	0.4%
Communication	10.80	1.3%
Legal and Professional Charges	144.40	17.7%
Audit Fees	13.24	1.6%
Other Services Fee	1.93	0.2%
Internal Audit Fees	4.41	0.5%
Advertising Expenses	2.01	0.2%
Books and Periodicals	0.32	0.0%
Printing & Stationery	4.25	0.5%
Postage and Telegrams	4.96	0.6%
Listing Fees & Other Expenses	25.04	3.1%
Security Charges	3.88	0.5%
Office Expenses	2.81	0.3%
Business Development Expenses	7.04	0.9%
Director Sitting Fees	3.80	0.5%
Repairs and Maintenance		
- Plant and Machinery	0.66	0.1%
- Others	11.20	1.4%
Insurance	0.30	0.0%
Rates and Taxes	10.79	1.3%
Travelling and conveyance	57.06	7.0%
Bank charges and commission	0.78	0.1%
Loss on sale of fixed assets	16.55	2.0%
Miscellaneous Expenses	5.05	0.6%
Total	814.36	100.00%

Interest & Finance charges represent an amount of Rs. 1,163.93 Lacs on the term loans obtained from L&T Infrastructure Finance Company Limited and other banks / institutions.

For Members Use

Standalone Financial Statements and Notes

For Members Use

AUDITORS REPORT TO THE MEMBERS OF PVP VENTURES LIMITED

1. We have audited the attached Balance Sheet of PVP Ventures Limited as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is drawn to Note No 4 in Schedule 15 to the financial statements regarding preparation of financial statements on a going concern basis. The Company has been incurring cash losses for the last 4 years as there is no significant business income to meet the operating and administration expenses. The interest due on debentures of Rs. 123.58 crores has been waived for the current and previous years by the holding company. The Company's ability to service its debts and continue as a going concern is dependent on the successful implementation of the project referred in the Note. These conditions along with other matters as set forth in the Note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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 the books.

- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (v) *In view of the significant losses made by the companies in which investments have been made and advances have been given and also in view of the significant down-turn in the real estate sector, we are unable to quantify the exact provision required for the following:*
 - (a) *diminution other than temporary, if any, in the carrying value of the Company's long term investments in the form of equity shares and debentures aggregating to Rs 247.42 crores*
 - (b) *long pending advances to subsidiaries aggregating to Rs 187.29 crores and other bodies corporate aggregating to Rs 8.53 crores.*

In view of the above, we are unable to express an opinion on whether the said financial statements together with the notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
- (b) In the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
- (c) In the case of the cash flow statement, of the cash flows for the year ended on that date

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai

Date: July 30, 2010

19th Annual Report 2009-2010

ANNEXURE REFERRED TO IN PARAGRAPH '3' OF THE AUDITORS' REPORT TO THE MEMBERS OF PVP VENTURES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has not physically verified fixed assets during the year.
- (c) In our opinion and according to the information and explanations given to us a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. There are no discrepancies between physical inventory as compared to book records.
- (iii) (a) The Company has granted unsecured loans to fifteen companies / other parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregates to Rs.512.75 crores and Rs.247.24 crores respectively. *In our opinion since such loans were granted without any stipulations as regards repayment of principal or interest, commenting on whether the rate of interest, repayment terms are prima facie prejudicial to the interest of the Company and whether they are overdue does not arise.*
- (b) The Company has borrowings in the form of unsecured debentures outstanding to its holding company and has taken unsecured loans from two other companies covered in the Register maintained under section 301 of the companies Act 1956. The maximum amount involved during the year and the yearend balance of such loans aggregates to Rs.462.79 crores and Rs.440.95 crores respectively.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and purchase and sale of goods and services. On the basis of our examination and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of The Companies Act, 1956..
- (b) According to the information and explanations given to us, there are no transactions entered in the Register pertaining to such contracts or arrangements exceeding the value of five lakh rupees.
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules made there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The Company is not required to maintain cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including, income-tax, sales tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities *except for delays in depositing Tax deducted at source*. Statutory dues in respect of provident fund, customs duty, excise duty, investor education and protection fund and employees state insurance are not applicable to the Company.
- (b) According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Income Tax, Service Tax, and cess were in arrears, as at 31st March

2010 for a period of more than six months from the date they became payable.

- (c) There are no dues of Salex Tax, Service Tax and Cess that have not been deposited on account of any dispute. Dues relating to Income tax which have not been deposited on account of disputes with the related authorities, are stated in the table below:

Name of the Statute	Financial Year	Amount [Rs. in crores]	Forum where the dispute is pending
Income Tax	2007-08	25.13	CIT (Appeals)
	2006-07	4.73	CIT (Appeals)

- (x) The Company has no accumulated losses at the end of the year. However, it has incurred cash losses in the current year and the immediately preceding financial year.
- (xi) Based on our audit procedure and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance sheet date.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us and the records of the Company examined by us, the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any

guarantee during the year for loans taken by others from banks or financial institutions.

- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they have been obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, during the year, short-term funds have not been used to finance long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Sec 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March 2010.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

19th Annual Report 2009-2010

PVP VENTURES LIMITED

Balance Sheet As At March 31, 2010

(Rs. in Lakhs)

	Schedule	As at March 31, 2010		As at March 31, 2009	
I. SOURCES OF FUNDS					
1. Shareholders' Funds					
(a) Capital	1	23,164.34		23,164.34	
(b) Reserves and Surplus	2	16,247.17		54,927.83	
			39,411.51		78,092.17
2. Loan Funds					
(a) Secured Loans	3	5,913.16		9,302.16	
(b) Unsecured Loans	4	44,169.51		46,354.17	
			50,082.67		55,656.33
TOTAL			89,494.18		133,748.50
II. APPLICATION OF FUNDS					
1. Fixed Assets					
(a) Gross Block	5	16,806.43		16,883.76	
(b) Less : Depreciation & Amortisation		3,070.02		1,586.28	
(c) Net Block			13,736.41		15,297.48
2. Investments					
3. Current Assets, Loans and Advances	6		49,724.10		79,775.32
(a) Inventories	7	8,415.06		8,435.76	
(b) Cash and Bank Balances	8	7,227.40		195.81	
(c) Other Current Assets	9	2.03		2.39	
(d) Loans and Advances	10	20,518.41		40,191.34	
		36,162.90		48,825.30	
Less : Current Liabilities and Provisions					
(a) Liabilities	11	10,098.20		10,126.82	
(b) Provisions		31.03		22.78	
		10,129.23		0,149.60	
Net Current Assets			26,033.67		38,675.70
TOTAL			89,494.18		133,748.50
Significant Accounting Policies and Notes to Accounts	15				

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

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

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

For and on behalf of the Board

Prasad V. Potluri

Chairman & Managing Director

N. S. Kumar

Director

V. Kothandaraman

Partner
Membership No.: 25973

R. Nagarajan

Director

Deepak Nagori

Chief Financial Officer

Place: Chennai

Date: July 30, 2010

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

PVP VENTURES LIMITED

Profit And Loss Account For Year Ended March 31, 2010

(Rs. in Lakhs)

	Schedule	For the Year Ended March 31,2010	For the Year Ended March 31,2009
I. Income			
Other Income	12	25.53	65.44
		25.53	65.44
II. Expenditure			
Cost of Inventory sold		20.69	-
Administration and Other Expenses	13	814.36	1,280.99
Interest and Finance Charges	14	1,165.40	1,334.69
Provision for Diminution in value of Investments		30,000.00	458.10
Provision for Doubtful Advances		5,160.16	14.25
Depreciation		13.85	25.48
		37,174.46	3,113.51
III. Profit/(Loss) before Taxation & Priorperiod Expenses		(37,148.93)	(3,048.07)
Provision for Taxation			
- Income Tax for Earlier Years		13.80	-
- Income Tax (refund relating to earlier years)		-	(89.36)
- Fringe Benefit Tax		-	4.10
IV. Profit/(Loss) after taxation		(37,162.73)	(2,962.81)
Balance brought forward		3,430.80	7,066.39
Less: Adjusted towards Amortisation of Goodwill (Refer Note 5 on Schedule 15)		1,517.92	672.78
V. Balance carried to Balance Sheet		(35,249.85)	3,430.80
Profit/(Loss) Per Share - Basic and Diluted (Rs.) (Refer Note no.10 in Schedule 15)		(16.04)	(1.28)
Significant Accounting Policies and Notes to Accounts	15		

The Schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

For and on behalf of the Board

Prasad V. Potluri

Chairman & Managing Director

R. Nagarajan

Director

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

N. S. Kumar

Director

Deepak Nagori

Chief Financial Officer

19th Annual Report 2009-2010

PVP VENTURES LIMITED

Cash Flow Statement for the year ended March 31, 2010

(Rs. in Lakhs)

	Year ended March 31, 2010	Year ended March 31, 2009
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before taxation	(37,148.93)	(3,048.07)
Adjustments for operating activities:		
Provision for taxation	-	4.10
Depreciation	13.85	25.48
Interest income	(12.42)	(57.06)
Interest and Finance charges	1,165.40	1,334.69
Bad debts and provision for doubtful advances	5,160.16	14.25
Loss on sale of fixed assets	16.41	13.77
Income from Investments	(7.36)	-
Loss/(Gain) on sale of investments	-	369.51
Provision for diminution in value of investments	30,000.00	458.10
Operating profit before Working Capital Charges Adjustments for:	(812.89)	(885.23)
Decrease/(Increase) in Inventory	20.70	-
Decrease/(Increase) in Loans and Advances	14,516.82	(2,485.33)
Decrease/(Increase) in Other Assets	0.36	1,597.70
Increase/(Decrease) in Liabilities	(20.64)	(296.85)
Cash generated from operations	14,517.24	(1,184.48)
Income tax refund/(Payment) net	(17.58)	61.06
Net cash used in operating activities	(A) 13,686.77	(2,008.66)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(2.47)	(53.22)
Proceeds from sale of fixed assets	15.35	15.80
Investments in Fixed deposits	(10.96)	(139.38)
Proceeds from sale of investments	58.58	506.86
Interest income	12.42	57.06
Net cash from/(used in) investing activities	(B) 72.92	387.12
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings		4,000.00
Repayment of long term borrowings	(3,837.10)	(96.21)
Proceeds from short term borrowings		75.00
Repayment of short term borrowings	(2,184.66)	(2,379.61)
Interest paid	(717.30)	(1,151.66)
Net cash from/(used in) financing activities	(C) (6,739.06)	447.52
Net Increase in Cash and Cash Equivalents	(A)+(B)+(C) 7,020.63	(1,174.02)
Cash and cash equivalents at the beginning of the period/year	56.43	1,230.45
Cash and cash equivalents at the end of the period/year	7,077.06	56.43

Notes:

1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.

2) The reconciliation to the cash and bank balances as given in the Balance Sheet is as follows:

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Cash and bank balances, per Schedule 8	7,227.40	195.81
Less : Fixed deposits with maturity over 90 days	150.34	139.38
Cash and cash equivalents, end of year	7,077.06	56.43

3) Components of cash and cash equivalents:

Cash on Hand	0.40	0.04
Balances with Scheduled Banks:		
On Current Accounts	7,074.22	40.58
On Dividend Accounts	2.44	6.88
Balance with non-Scheduled Bank		
On Current Account - Deutsche Bank, London, U.K.		8.93
Total	7,077.06	56.43

This is the Cash Flow Statement referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

For and on behalf of the Board

Prasad V. Potluri

Chairman & Managing Director

R. Nagarajan

Director

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

N. S. Kumar

Director

Deepak Nagori

Chief Financial Officer

19th Annual Report 2009-2010

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 1		
CAPITAL		
Authorised		
300,000,000 (2009: 300,000,000) Equity Shares of Rs. 10 each	30,000.00	30,000.00
Issued, Subscribed and Paid-up		
231,643,387 (2009: 231,643,387) equity shares of Rs. 10 each	23,164.34	23,164.34
Out of these, 143,708,722 (2009: 143,708,722) equity shares of Rs. 10 each are held by M/s. Platex Limited, the holding company.		
Of the above:		
a) 173,759,567 equity shares of Rs. 10 each fully paid-up have been issued pursuant to the Scheme of Amalgamation of PVP Ventures Private Limited with the Company.		
b) 6,120,400 equity shares of Rs. 10 each have been allotted by way of bonus shares, by capitalising securities premium.		
c) 878,236 equity shares of Rs. 10 each have been allotted pursuant to a contract without payment being received in cash.		
d) 694,444 equity shares of Rs. 10 each have been allotted consequent to issue of equivalent number of Global Depository Receipts		
e) 32,144,940 equity shares of Rs. 10 each have been allotted to the shareholders of Buckingham Real Estate and Asset Developers Limited (BREAD), pursuant to the scheme of amalgamation between BREAD and the Company in the ratio of 642 shares of the company for every 1 share of BREAD .		
f) 22,200 equity shares of Rs. 10 each have been allotted under Employee Stock option plan 1999.		
Total	23,164.34	23,164.34

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 2		
RESERVES AND SURPLUS		
Securities Premium Account Per last Balance Sheet	51,497.03	51,497.03
(A)	51,497.03	51,497.03
General Reserve	-	844.39
Less : Amortisation of goodwill	-	(844.39)
(B)	-	-
Profit and Loss Account	(35,249.85)	3,430.80
(C)		
Total (A+B+C)	16,247.17	54,927.83
Schedule 3		
SECURED LOANS		
Term Loan from a Bank	-	1,579.14
- Interest Accrued and Due	-	52.97
[Secured by hypothecation of land at Perambur, Chennai]		
From Others - Other than Short Term		
- Term Loan	5,909.88	7,500.00
- Interest Accrued and Due	-	148.05
[Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited		
Part of the shares held by PVP Energy Private Limited has been given as collateral security and the same is guaranteed by the promoters		
- Hire Purchase Loans	3.28	22.00
[Secured by hypothecation of respective vehicles]		
Total	5,913.16	9,302.16
Schedule 4		
UNSECURED LOANS		
(a) From other than banks, other than short term		
40,644 (2009: 40,644), 14.5% Redeemable Fully Convertible Debentures of Rs. 100,000 each	40,644.00	40,644.00
(All debentures are convertible into equity shares at any time on or before January 22, 2011)		
(b) Short Term Loans		
- From Subsidiary Companies	3,450.51	5,635.17
- From Others	75.00	75.00
Total	44,169.51	46,354.17

19th Annual Report 2009-2010

Schedules forming part of Balance Sheet

Schedule 5

FIXED ASSETS

(Rs. in Lakhs)

Description	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BOOK VALUE		
	As at April 1, 2009	Additions	Deletions/ Adjustments	As at March 31, 2010	As at April 1, 2009	For the Year	On Deletions/ Adjustments	As at March 31, 2010	As at March 31, 2009
<u>Intangible Assets</u>									
Goodwill*	15,179.21	-	-	15,179.21	1,517.17	1,517.92	-	3,035.09	13,662.04
<u>Tangible Assets</u>									
Land	1,513.46	-	-	1,513.46	-	-	-	-	1,513.46
Plant and Machinery	7.86	-	3.26	4.60	1.87	1.26	1.38	1.75	5.99
Furniture and Fixtures	45.38	-	-	45.38	3.58	2.76	-	6.34	41.80
Vehicles	54.95	-	31.27	23.68	10.35	3.31	8.25	5.41	44.60
Computers and related assets	82.90	2.47	45.27	40.10	53.31	6.52	38.40	21.43	29.59
TOTAL	16,883.76	2.47	79.80	16,806.43	1,586.28	1,531.77	48.03	3,070.02	15,297.48
Previous Year	16,891.78	53.22	61.76	16,883.76	75.31	1,542.65	31.68	1,586.28	16,816.47

*Refer Note 5 on Schedule 13.

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 6		
INVESTMENTS		
A. LONG TERM - AT COST - TRADE		
(Refer Note 3 on Schedule 15)		
I. In Subsidiary Companies		
(i) Quoted		
Telephoto Entertainments Limited		
3,353,114 (2009: 3,353,114) equity shares @ Rs 10 each	531.05	531.05
[Market value as at March 31, 2010 - 217.95 lakhs (2009: Rs. 114.34 lakhs)]		
Less: Provision for diminution in value of investment	200.00	200.00
(A)	331.05	331.05
(ii) Unquoted		
PVP Corporate Parks Private Limited (Formerly AGS Holdings Private Limited)	50.00	50.00
500,000 (2009: 500,000) equity shares of Rs.10 each (Out of this 4,99,999 equity shares have been given as security to L&T Infrastructure Finance Company Limited)		
AGS Hotels and Resorts Private Limited	358.10	358.10
3,581,000 (2009: 3,581,000) equity shares of Rs.10 each		
Less: Provision for diminution in value of investment	358.10	358.10
	-	-
PVP Energy Private Limited (Formerly PVP Malaxmi Energy Ventures Private Limited)	54,205.00	101.00
5,602,869 (2009: 1,010,000) equity shares of Rs.10 each fully paid up		
45,92,869 equity shares of Rs.10 each fully paid up with a premium of Rs.1,168/- each		
Nil (2009: 54,104) 22% Redeemable Fully Convertible Debentures of Rs. 100,000 each	-	54,104.00
Less: Provision for diminution in value of investment	30,000.00	-
	24,205.00	54,205.00
New Cyberabad City Projects Private Limited		
1,010,000 (2009: 1,010,000) equity shares of Rs.10 each fully paid up	101.00	101.00
24,832 (2009: 24,832) 22% Redeemable Non Convertible Debentures of Rs. 100,000 each (16,906 debentures are redeemable at par at any time on or before January 10, 2011 and 7,926 debentures are redeemable at par at any time on or before February 20, 2011)	24,832.00	24,832.00
Maven Infraprojects Private Limited		
10,000 (2009: 10,000) equity shares of Rs.10 each fully paid up	1.00	1.00
PVP Business Ventures Private Limited		
10,000 (2009: 10,000) equity shares of Rs.10 each fully paid up	1.00	1.00
PVP Business Towers Private Limited	1.00	1.00
10,000 (2009: 10,000) equity shares of Rs.10 each fully paid up		

19th Annual Report 2009-2010

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Cuboid Real Estate Private Limited 10,000 (2009: 10,000) equity shares of Rs.10 each fully paid up (B)	1.00 49,192.00	1.00 79,192.00
II. Other than Trade in Non Subsidiaries		
(i) Quoted		
Aptech Limited 100 (2009: 100) equity shares of Rs.10 each paid up [Market value as at March 31, 2010 - Rs.0.167 lakhs (2009: Rs. 0.08 lakhs)]	0.05	0.05
CFL Capital Financial Services Limited 2,000 (2009: 2,000) 13% cumulative preference share of Rs. 10 each paid up [Market value as at March 31, 2010 - Rs. 0.06 lakhs (2009: 0.06)]	2.00	2.00
	2.05	2.05
Less : Provision for diminution in value of investments (C)	2.00 0.05	2.00 0.05
(ii) Unquoted		
PVP Star Hotels Private Limited 12,500 [2009 - 12,500] Equity Shares of Rs.10 each fully paid up (D)	201.00 201.00	201.00 201.00
B. CURRENT INVESTMENTS - AT COST OR BELOW		
Quoted		
Reliance Banking Fund - Dividend plan Nil (2009 - 331,125,828) units of Rs.10 each [Net Asset Value as at March 31, 2010 - Rs. Nil lakhs (2009: 51.22 lakhs)]	-	100.00
	-	100.00
Less : Provision for diminution in value of investments (E)	-	48.78
	-	51.22
Total (A+B+C+D+E)	49,724.10	79,775.32
For investments purchased and sold during the year, Refer Note 15 on Schedule 15. Aggregate value of quoted investments - Rs. 331.10 lakhs (2009: Rs. 382.32 lakhs). Aggregate market value of quoted investmens Rs.218.18 lakhs (2009: Rs.165.70 lakhs) Aggregate value of unquoted investments - Rs. 49,393.00 lakhs (2009: Rs. 79,393.00 lakhs).		
Schedule 7		
INVENTORIES - Lower of cost or NRV		
Work-in-progress (Refer Note 16 of Schedule 15)	8,415.06	8,435.76
Total	8,415.06	8,435.76

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 8		
CASH AND BANK BALANCES		
Cash on Hand	0.40	0.04
Balances with Scheduled Banks:		
- In Current Accounts	7,074.22	40.58
- In Deposit Accounts*	150.34	139.38
- In Dividend Accounts	2.44	6.88
Balance with non-Scheduled Bank		
- On Current Account - Deutsche Bank, London, U.K.**	-	8.93
Total	7,227.40	195.81
* includes Rs.150.34 lakhs (2009: Rs.139.38 lakhs) given on lien for secured loan.		
** Maximum balance at any time during the year Rs. 8.93 lakhs (2009: 8.93 lakhs)		
Schedule 9		
OTHER CURRENTASSETS		
Interest accrued on deposits	2.03	2.39
Total	2.03	2.39

19th Annual Report 2009-2010

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 10		
LOANS AND ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
Advance recoverable in cash or in kind or for value to be received* [Refer Note (i) below]		
(Refer Note 3 on Schedule 15)		
- Considered good	19,667.62	39,002.48
- Considered doubtful	5,801.18	641.02
	25,468.80	39,643.50
Less: Provision for doubtful advances	5,801.18	641.02
	19,667.62	39,002.48
(A)		
Advance towards investments in bodies corporate (Refer Note 3 on Schedule 15)		
- Considered good	800.00	1,142.12
- Considered doubtful	3,051.88	3,051.88
	3,851.88	4,194.00
Less: Provision for doubtful advances	3,051.88	3,051.88
	800.00	1,142.12
(B)		
Advance Tax	50.79	46.74
(C)		
* (i) Advances includes amounts due from subsidiary companies, bodies corporate and companies under same management as given below		
- to Holding Company Rs. 7.78 lakhs (2009: 7.78 lakhs) [maximum outstanding during the year 7.78 lakhs (2009: 7.78 lakhs)]		
- to Subsidiary Companies Rs. 19,554.83 lakhs (2009: 38,741.91 lakhs) net of provisions [maximum outstanding during the year 51,023.26 lakhs (2009: 38,781.80 lakhs)]		
- to Companies under same management Rs. 0.95 lakhs (2009: 362.84 lakhs) [maximum outstanding during the year 362.84 lakhs (2009: 387.41 lakhs)]		
	20,518.41	40,191.34
Total (A) + (B) + (C)		
Schedule 11		
LIABILITIES		
Sundry Creditors		
- Outstanding dues of Micro and Small enterprises	-	-
- Others	75.89	104.82
	75.89	104.82
Unclaimed dividends*	2.44	6.88
Advances	10,000.00	10,000.00
Other Liabilities	19.87	15.12
	10,098.20	10,126.82
Total		
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
PROVISIONS		
Retirement benefits	25.66	17.68
Fringe benefit tax (net of Advance tax)	5.37	5.10
	31.03	22.78
Total		

PVP VENTURES LIMITED

Schedules forming part of Profit and Loss Account

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 12		
OTHER INCOME		
Interest income on debentures/deposits (Gross)	12.42	57.06
[Tax deducted at source Rs.135,384 (2009: Rs.747,816)]		
Income from Current Investments	7.36	1.90
Profit on sale of fixed assets	0.14	-
Other Income	5.61	4.64
Foreign Exchange Fluctuation	-	1.84
Total	25.53	65.44
Schedule 13		
ADMINISTRATION AND OTHER EXPENSES		
Salaries, Wages and Bonus	195.52	286.29
Contribution to Provident Fund and Other Funds	2.22	4.31
Staff Welfare Expenses	3.05	8.38
Rent	279.09	31.65
Power and Fuel	3.20	7.41
Communication	10.80	13.09
Legal and Professional Charges	144.40	268.91
Audit Fees	13.24	14.34
Other Services Fee	1.93	4.49
Internal Audit Fees	4.41	7.41
Advertising Expenses	2.01	3.08
Books and Periodicals	0.32	0.66
Printing & Stationery	4.25	4.02
Postage and Telegrams	4.96	2.47
Listing Fees & Other Expenses	25.04	18.80
Security Charges	3.88	3.88
Office Expenses	2.81	5.89
Business Development Expenses	7.04	1.64
Director Sitting Fees	3.80	5.45
Repairs and Maintenance		
- Building	-	11.83
- Plant and Machinery	0.66	0.87
- Others	11.20	13.86
Insurance	0.30	0.98
Rates and Taxes	10.79	96.33
Travelling and conveyance	57.06	58.52
Bank charges and commission	0.78	2.66
Loss on sale of fixed assets	16.55	13.77
Loss on Sale of Investments	-	369.51
Miscellaneous Expenses	5.05	20.49
Total	814.36	1,280.99
Schedule 14		
INTEREST AND FINANCE CHARGES		
On Fixed Loans	1,163.93	1,331.08
Others	1.47	3.61
Total	1,165.40	1,334.69

19th Annual Report 2009-2010

Schedule 15 : Significant Accounting Policies and Notes to Accounts

Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, on going concern basis and in accordance with the accounting principles generally accepted in India to comply with the Accounting Standards notified under Sec 211(3C) of the Companies Act, 1956 ('the Act') and the relevant provisions of the Companies Act, 1956.

(b) Revenue Recognition

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

(c) 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.

(d) 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 Rs. 5,000 are depreciated in full in the year of acquisition.

(e) 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.

(f) 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.

(g) Inventories

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

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

(h) Employee Benefits

Gratuity

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

Leave Encashment

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

Other Benefit Plans

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

(i) 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.

(j) 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.

Notes to Accounts

2. Contingent Liabilities

- a) The Company, in July 2009, had received Income Tax assessment orders and demand notice assessing it as an agent related to the interest income alleged to be accrued on the FCDs issued to Platex Limited, the Debenture Holder. The demand raised by the IT department is of Rs. 25.13 crores. The Company has filed an appeal against this order and is awaiting further developments on this matter.
- b) PVP Ventures P Ltd. booked an interest income of Rs. 10.62 crores from debentures subscribed to its subsidiaries, NCCPPL and PEL, during the FY 2006-07. However, since it had corresponding interest expense to Platex and other related expenses, it showed this income as a reduction from the Pre-operative expenditure. No P&L A/c was prepared for the FY 2006-07 and a NIL return was filed. The AO assessed the above mentioned income as taxable and raised a demand of Rs. 4.73 crores in an order passed in Jan 2010. The Company has filed an appeal against this order and hearings are awaited.
- 3. Investments aggregating to Rs. 49,724.10 Lakhs (2009: Rs. 79,724.05 Lakhs) (net of provisions) in its subsidiary companies and other bodies corporate and advances (net of provisions) aggregating to Rs. 19554.83 Lakhs (2009: Rs. 38,740.91 Lakhs) extended to subsidiaries and Rs. 806.36 Lakhs (2009: Rs. 1,142.12 Lakhs) to other bodies corporate. Further, as at March 31, 2010 the Company has goodwill amounting to Rs.12,144.12 Lakhs (2009: 13,662.04 Lakhs) which represents the excess consideration paid by the Company over the net assets acquired of erstwhile PVP Ventures Private Limited, under the Scheme of Amalgamation in 2008. The management is of the opinion that the value of the above mentioned investments, advances and goodwill is represented by the assets held by the respective entities.
- 4. The Company carried out independent valuation of its land at Perambur at Chennai in the month of January 2010, the valuer estimated the value of the land to be Rs.692.95 crores. The Company had entered into a joint development agreement for this land with a consortium of Unitech Limited and

Arihant Foundations and Housing Limited. There has been some progress in the project subsequent to the year end and the Company expects to start receiving cash flows from the year ended March 31, 2011. Considering these factors and the expected future cash flows, the Company has prepared these accounts on a going concern basis.

- 5. Pursuant to the merger of erstwhile PVP Ventures Private Limited with the Company, goodwill amounting to Rs. 15,179.21 Lakhs, representing the excess of consideration paid over the net assets acquired, had been accounted for in the books of account. As per the terms of the Scheme of Amalgamation, the goodwill has to be set off against the reserves of the Company in a phased manner over a period of ten years beginning April 1, 2008. Accordingly, goodwill of Rs. 1517.92 Lakhs has been amortized during the year directly to Profit & Loss Account below the line.
- 6. During the year, in view of the distressed financial condition of the company, Platex Ltd., the Holding Company has waived the interest receivable on debentures issued to it by the Company. Accordingly, Interest expenditure amounting Rs.5893.38 Lakhs (2009: Rs 6465.43 Lakhs) for the year ended March 31,2010 on debentures outstanding has not been recorded in the books of account. Similarly the Company has waived interest income receivable on debentures issued to it by the two subsidiaries: PVP Energy Private Limited ("PEL") (till the date of conversion) and New Cyberabad City Projects Private Limited ("NCCPPL"). Accordingly, interest income amounting to Rs. 10811.18 Lakhs (2009: Rs.17,365.92 Lakhs) for the year ended March 31, 2010 has not been recorded for in the books of account of the Company.
- 7. Employee Benefits

The following table sets forth the status of the **Gratuity Plan** of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

Amounts recognized in the balance sheet

(Rs. in Lakhs)

	Year Ended March 31,2010	Year Ended March 31,2009
Present value of funded obligation	3.70	5.04
Less: Fair value of assets*	-	-
Net Liability / (Asset)	3.70	5.04

* 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.

19th Annual Report 2009-2010

Cost for the period

	(Rs. in Lakhs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Current service cost	(1.47)	1.36
Interest cost	0.40	0.29
Actuarial (gain)/loss	(0.55)	(0.29)
Cost recognized	1.32	1.36

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

	(Rs. in Lakhs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Opening defined benefit	5.04	3.68
Current service cost	(1.47)	1.36
Interest cost	0.40	0.29
Actuarial loss/(gain)	(0.55)	(0.29)
Benefits paid	(2.67)	
Projected benefit obligation at the end of the period	3.70	5.04

Principal Actuarial assumptions used:

	Year Ended March 31, 2010	Year Ended March 31, 2009
Discount rates	8.00%	8.00%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-

The following table sets forth the status of the **Leave Encashment Plan** of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

Amounts recognized in the balance sheet

	(Rs. in Lakhs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Present value of funded obligation	21.97	12.63
Less: Fair value of assets	-	-
Net Liability / (Asset)	21.97	12.63

Cost for the period

	(Rs. in Lakhs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Current service cost	9.34	5.53
Interest cost	1.01	0.56
Actuarial (gain)/loss	9.56	(0.57)
Cost recognized	19.92	5.53

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

(Rs. in Lakhs)

	Year Ended March 31, 2010	Year Ended March 31, 2009
Opening defined benefit	12.63	7.10
Current service cost	9.34	5.53
Interest cost	1.01	0.56
Actuarial loss/(gain)	9.56	(0.57)
Benefits paid	(10.57)	-
Projected benefit obligation at the end of the period	21.97	12.63

Principal Actuarial assumptions used:

	Year Ended March 31, 2010	Year Ended March 31, 2009
Discount rates	8.00%	8.00%
Expected salary increase rates	7.5%	7.5%
Expected rate of return on plan assets	-	-

Data regarding experience adjustment and estimate for next year has not been furnished by the actuary

Defined contribution plans

In respect of the defined contribution plans, an amount of Rs. 2.22 Lakhs (2009: 4.31 Lakhs) has been recognized in the Profit and Loss Account during the year.

- The Company is engaged in the development of urban infrastructure which in the context of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is considered the only segment. Hence, the reporting under the requirements of the said standard does not arise.
- In view of the absence of virtual certainty in future profitability of the Company, the Company has not recognized deferred tax asset on carry forward losses on the grounds of prudence.

10. Earnings per Share (EPS):

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Nominal Value of Equity Shares (Rs. per Share)	10	10
Weighted average number of Equity Shares outstanding during the period	231,643,387	231,643,387
Loss after Taxes for the purpose of EPS (Rs. in Lakhs)	37,162.73	2,962.81
Loss Per Share – Basic and diluted (Rs.)	16.04	1.28

Notes:

- a) Since the potential equity shares arising out of convertible debentures outstanding as at March 31, 2010 would be anti-dilutive in nature, the basic and diluted EPS are the same.

11. Directors' Remuneration :

(Rs. in Lakhs)

	Year ended March 31, 2010	Year ended March 31, 2010
Sitting Fees	3.80	5.45
Total	3.80	5.45

12. Lease Rentals

The Company has entered into operating leases agreements for office premises and an amount of Rs. 279.09 Lakhs (2009:31.65 Lakhs) paid under such agreement have been charged to 'Rent' in Schedule 13. However, the said agreements were cancelled during the year.

The lease rentals paid on HP during the year and the future lease obligations for agreements in vogue as at 31st March, 2010 are as follows:

13. Related Party Disclosures:

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

Description of relationship	Names of related parties
Holding Company	Platex Limited (PL)
Subsidiary Company	1. New Cyberabad City Projects Private Limited (NCCPPL) 2. PVP Energy Private Limited (Formerly PVP Malaxmi Energy Ventures Private Limited) (PEL) 3. Maven Infraprojects Private Limited (MIL) 4. PVP Business Ventures Private Limited (PBV) 5. Telephoto Entertainments Limited (TEL) 6. PVP Corporate Parks Private Limited (PCPL) 7. AGS Hotels and Resorts Private Limited (AGR) 8. PVP Screens Private Ltd (PSPL) 9. Telephoto International Pte. Ltd., Singapore (TEPL) (Struck-off w.e.f January 15, 2010) 10. Cuboid Real Estates Private Limited (CRE) 11. PVP Business Towers Private Limited (PBT)
Enterprises where key management personnel exercise significant influence	1. Maven BPO Services Private Limited (MBSPL) 2. Whitecity Infrastructure (India) Private Limited (WIL) 3. PVP IT Parks Private Limited (PVPIT) 4. Godavari Infracon Private Limited (GIPL) 5. Waltair Promoters Private Limited (WPPL) 6. PKP Infraprojects Private Limited (PKP) 7. PVP Megapolis Pvt. Ltd (PVPMPPL) 8. Adobe Realtors Pvt.Ltd.(ARPL) 9. Arete Real Estate Developers Pvt.Ltd.(AREDPPL) 10. Axil Realtors Private Limited (AXRPL) 11. Expressions Real Estate Pvt.Ltd (EREPL) 12. Mistair Realtors Pvt.Ltd.(MRPL) 13. Bruma Properties Private Ltd (BPPL)
Key Management Personnel	Mr. Prasad V. Potluri, Chairman and Managing Director (PV) Mr. Deepak Nagori (CFO)

(Rs. In Lakhs)

S.No.	Year ended 31st March, 2010	Year ended 31st March, 2009
Due within 1 year from the Balance Sheet date	3.28	5.13
Due between 1 and 5 years	Nil	3.28
Due after 5 years	Nil	Nil
HP Lease rent paid during the year	5.13	4.55

Fixed assets include the following assets purchased on hire purchase scheme. The title of such assets belongs to the Company (subject to hire purchase agreements)

Particulars	Gross Block as at 31st March, 2010	Depreciation Block as at 31st March, 2010	Net Block as at 31st March,, 2010
Vehicles	20.90	4.65	16.25

19th Annual Report 2009-2010

(b) Summary of transactions with the related parties, during the year ended March 31, 2010 and balances as at the March 31, 2010

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
i) Administrative Expenses recovered		
Subsidiary Company		
– TEL	0.04	0.49
– PCPL	0.20	2.40
– PSPL	0.04	0.49
ii) Advances/Loans given		
a) Subsidiary Company		
– AGR		
– PCPL	336.79	5,827.61
– PEL	757.55	23,138.00
– PBV	2.00	5,500.93
– CRE	2.01	-
– NCCPPL		1,456.37
– MIL	0.01	-
– PBT	19,800.11	-
– TEL	2.03	-
– PSPL	21.23	-
b) Enterprises where significant influence exists		
– PVPIT	0.01	3.41
– WPPL		0.04
– PKP	0.02	0.02
– ARPL	0.01	-
– AXRPL	0.01	10.60
– AREDPL	0.01	0.00
– EXEPL	0.01	250.02
– PVPMPPL	0.01	0.01
– MRPL	0.01	-
iii) Repayment of Loans given		
a) Subsidiary Company		
– PBT	16,797.21	-
– PSPL	-	592.53
– PEL	12,812.01	-
– PCPL	5350.75	-
– PBV		1,456.31
b) Enterprises where significant influence exists		
– PVPIT	3.42	-
– WIL	236.71	-
– AXRPL	0.01	223.45
– EXEPL	0.01	312.82
– MRPL	0.01	-
c) Key Management Personnel	2.88	-
– PV		
iv) Advances/Loans availed		
a) Subsidiary Company		
–		-

PVP VENTURES LIMITED

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
– PSPL	-	617.65
– PCPL	-	-
v) Loans Repaid		
a) Subsidiary Company		
– NCCPPL	2171.42	2,433.18
– PSPL	-	617.65
– AGR	9.36	-
b)Enterprises where significant influence exists		
– ARPL	-	0.40
– AREDPPL	-	1.99
vii) Outstanding balances as at the year end		
a) Advances receivable		
Holding Company		
– PL	7.78	7.78
Subsidiary Company		
– AGR		-
– PCPL	826.01	5,839.97
– PEL	11,407.76	23,462.22
– PBV	5,502.94	5,500.93
– CRE	3,502.02	3,500.01
– MIL	450.1	450.09
– PBT	3,002.92	0.02
– PSPL	21.23	-
– TEL	2.03	-
Enterprises where significant influence exists		
– WIL	-	236.71
– WPPL	0.05	0.05
– GIPL	0.86	0.85
– PKP	0.04	0.02
– PVPIT	-	3.41
– ARPL	0.01	-
– AXRPL	-	-
– AREDPPL	0.01	-
– EXEPL	-	-
– BPPL	35.00	35.00
– PVPMPPL	0.24	0.23
b) Unsecured Loans		
Subsidiary Company		
– NCCPPL	3,410.17	5,581.59
– AGR	40.34	49.70
Key Management Personnel		
– PV	-	2.88

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

19th Annual Report 2009-2010

14. Disclosure made in terms of clause 32 of the listing agreement with Stock exchange:

(Rs. in Lakhs)

Particular	Name of the company	Amount outstanding as on 31.3.2010	Maximum amount due at any one time during the year
A) Loans and advances Loans and advances in the nature of loans made to subsidiary company.			
	– PCPL	826.01	5839.97
	– PEL	11407.76	24217.19
	– PBV	5502.94	5502.93
	– CRE	3502.02	3502.02
	– MIL	450.10	450.09
	– PBT	3002.92	11500.13
	– TEL	2.03	2.03
	– PSPL	21.23	21.23
Loans and advances in the nature of loans made to associate company	Nil	Nil	Nil
Loans and advances in the nature of loans where there is.			
a) No repayments schedule or repayment beyond seven year(or) And	In all cases mentioned (Loans / Advances given to subsidiaries and companies or firms where directors are interested)		
b) No Interest or interest below section 372A of the Companies Act.	Nil	Nil	Nil
Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested.	Waltair Promoters Private Limited (WPPL)	0.05	0.05
	PKP Infraprojects Private Limited (PKP)	0.04	0.04
	Godavari Infracon Private Limited (GIPL)	0.86	0.86
	Arete Real Estate Developers Pvt.Ltd.	0.01	0.01
	Bruma Properties Pvt.Ltd.	35.00	35.00
	Expressions Real Estate Pvt.Ltd.	0.00	0.01
	PVP Megapolis Pvt. Ltd(PVPMPL)	0.24	0.24
	Adobe Realtors Pvt.Ltd.(ARPL)	0.01	0.01

PVP VENTURES LIMITED

15. Additional Information pursuant to the Provisions of Paragraph 3, 4A, 4B, 4C, 4D of Part II of Schedule VI to the Act.

(a) Particulars relating to Investments purchased and sold during the year.

(Rs. in Lakhs)

	Year ended March 31, 2010		Year ended March 31, 2009	
	Qty Units.	Value Amount	Qty Units.	Value Amount
Purchases during the year				
Reliance Liquidity Fund	-	-	-	-
Reliance Diversified Power Sector Fund	-	-	-	-
Reliance Banking Fund	-	-	-	-
Reliance liquid Funds Daily Dividend	-	-	49,98,450.48	500.00
Reliance Medium Term Fund Daily Dividend	-	-	29,25,338	500.00
Total	-	-	7,923,788.48	1,000.00
Sales during the year				
Reliance Liquidity Fund	-	-	89,642	9.12
Reliance Diversified Power Sector Fund	-	-	-	-
Reliance Banking Fund	3,31,125.828	58.58	-	-
Reliance liquid Funds Daily Dividend	-	-	49,98,450.48	500.00
Reliance Medium Term Fund Daily Dividend	-	-	29,25,338	501.90
Total	3,31,125.828	58.58	8,013,430.48	1,011.02

(b) Particulars relating to Expenditure in foreign currency (on payment basis)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Travel related Expenses	2.05	4.90
London Stock exchange fee	11.63	-
Bank Charges	0.03	0.51
Total	13.71	5.41

(c) Audit Fee including Service Tax:

(Rs. in lakhs)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Statutory Audit	13.24	14.34
Tax Representation	0.83	-
Limited Review	1.10	4.49
Out of Pocket Expenses	-	0.08

16. The Company's inventory comprises of 1259.90 grounds of land at Perambur, Chennai and also 19 acres 8 guntas of land at Raikunta village, Shamshabad Mandal, Ranga Reddy District, Andhra Pradesh. The book value of the inventory is at Rs. 84.15 crores.
17. The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.
18. Previous period figures have been regrouped/reclassified, wherever necessary, to confirm to those of the current year.

19th Annual Report 2009-2010

Balance Sheet Abstract and Company's General Business Profile

i. Registration Details

Registration No.	:	020122	State Code	:	18
Balance Sheet Date	:	31.03.2010			

ii. Capital raised during the year (Amount in Rs. Lacs)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	:	89494.18	Total Assets	:	89494.18
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Source of Funds

Paid-up Capital	:	23164.34	Reserves & Surplus	:	16247.17
Secured Loans	:	5913.16	Unsecured Loans	:	44169.51

Application of Funds

Net Fixed Assets	:	13736.41	Investments	:	49724.10
Net Current Asset	:	26033.67	Miscellaneous Expenditure	:	Nil
Accumulated Losses	:	Nil			

iv. Performance of Company (Amount in Rs. Lacs)

Turnover/Income	:	25.53	Total Expenditure	:	37174.46
Profit/(Loss) Before Tax	:	(37148.93)	Profit/(Loss) After Tax	:	(37162.73)
Earnings per share in Rupees	:	(16.04)	Dividend Rate %	:	Nil

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

Item Code No. (ITC Code)	:	N.A.	Product Description	:	N.A.
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For and on behalf of the Board

Prasad V. Potluri

Chairman & Managing Director

N. S. Kumar

Director

R. Nagarajan

Director

Deepak Nagori

Chief Financial Officer

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

Place: Chennai

Date: July 30, 2010

Consolidated Financial Statements and Notes

For Members Use

**Auditors' Report to the Members of PVP Ventures Limited
on the Consolidated Financial Statements**

To

The Board of Directors of PVP VENTURES LTD

We have audited the attached consolidated Balance Sheet of PVP VENTURES LTD ('the Company') and its subsidiaries (collectively called 'the PVP Group') as at March 31, 2010, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 120.08 crores as at March 31, 2010, total revenues of Rs. 0.01 crores and total net cash inflows of Rs. 0.06 crores for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, as mandated by Companies (Accounting Standards) Rules 2006 and on the basis of the separate audited financial statements of PVP Ventures Limited and its subsidiaries.
4. *Attention is drawn to Note No 11 of Schedule 16 for impairment of goodwill on consolidation arising out of opening balance differences which has been charged off to opening profit & loss account balance.*
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements, of PVP ventures Limited and its subsidiaries and in view of

- a) *not crediting the profit on sale of fixed assets Rs 32.11 crores to profit & loss account and not providing income tax liability of Rs 5.29 crores on the same and the impact of this is to overstate the losses by Rs 26.82 crores*
- b) *the significant losses made by the companies in which investments have been made and advances have been given and also in view of the significant downturn in the real estate sector, we are unable to quantify the exact provision required for the following:*
 - i. *impairment, if any, in the carrying value of Goodwill on consolidation of subsidiaries amounting to Rs 162.16 crores*
 - ii. *diminution other than temporary, if any, in the carrying value of the Company's long term investments in the form of equity shares and debentures aggregating to Rs 138.49 crores*
 - iii. *long pending advances to other bodies corporate aggregating to Rs 10.03 crores*
- c) *Payment of managerial remuneration of Rs 2.73 crores to the Chairman and Managing Director of one of its subsidiary company without obtaining Central Government approval has been reversed and shown as receivable from him as explained in Note No. 7 of Schedule 16. Amounts if any payable / receivable from him are not ascertainable as it is under negotiation.*

On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements, of PVP Ventures Ltd and its subsidiaries, in our opinion, the consolidated financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) *in the case of the consolidated Balance Sheet, of the state of affairs of the PVP Group as at March 31, 2010;*
- (ii) *in the case of consolidated Profit and Loss Account, of the loss of the PVP Group for the year ended on that date; and*
- (iii) *in the case of consolidated Cash Flow Statement, of the cash flows of the PVP Group for the year ended on that date.*

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner

Membership No.: 25973

Place: Chennai

Date: July 30, 2010

19th Annual Report 2009-2010

PVP VENTURES LIMITED

Consolidated Balance Sheet As At March 31, 2010

(Rs. in Lakhs)

	Schedule	March 31, 2010	March 31, 2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	22,362.72	19,624.73
(b) Reserves and Surplus	2	54,913.64	51,702.41
		77,276.36	71,327.14
2. Minority Interest			
		-	-
3. Loan Funds			
(a) Secured Loans	3	5,913.17	15,808.94
(b) Unsecured Loans	4	41,492.59	52,554.22
		47,405.76	68,363.16
4. Deferred Tax Liability - Net			
			162.32
TOTAL		124,682.12	139,852.62
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	5	35,432.33	106,589.60
(b) Less : Depreciation & Amortisation		3,252.58	2,955.35
(c) Net Block		32,179.75	103,634.25
Add: Capital Work-in-progress		-	1.13
		32,179.75	103,635.38
2. Investments			
	6	13,849.05	9,252.27
3. Current Assets, Loans and Advances			
(a) Inventories	7	23,098.38	23,119.07
(b) Cash and Bank Balances	8	7,662.66	211.32
(c) Other Current Assets	9	2.47	3.70
(d) Loans and Advances	10	8,915.17	10,817.80
		39,678.68	34,151.89
Less : Current Liabilities and Provisions			
(a) Liabilities	11	20,292.10	10,448.63
(b) Provisions		31.24	50.77
		20,323.34	10,499.40
Net Current Assets		19,355.34	23,652.49
Profit and Loss Account		59,297.98	3,312.48
TOTAL		124,682.12	139,852.62
Significant Accounting Policies and Notes to Consolidated Accounts			
	16		

The schedules referred to above form an integral part of the Consolidated Balance Sheet. This is the Consolidated Balance Sheet referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

For and on behalf of the Board

Prasad V. Potluri
Chairman & Managing Director

N. S. Kumar
Director

R. Nagarajan

Director

Deepak Nagori

Chief Financial Officer

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

PVP VENTURES LIMITED

Consolidated Profit And Loss Account For The Year Ended March 31, 2010

(Rs. in Lakhs)

	Schedule	March 31,2010	March 31,2009
I. INCOME			
Income from operation	12	62.53	1,031.51
Other Income	13	357.51	1,136.26
		420.04	2,167.77
II EXPENDITURE			
Cost of Inventory sold		20.69	-
Administration and Other Expenses	14	4,671.25	3,509.74
Loss on disposal of investment in holding company		44,073.55	117.74
Depreciation and Amortisation		104.66	353.19
Interest and Finance Charges	15	1,346.94	2,559.60
Prior Period Adjustment		27.07	-
		50,244.16	6,540.27
III. Profit / (Loss) before Minority Interest and Taxation		(49,824.12)	(4,372.51)
Adjusted for Loss from discontinuing operations		(1.15)	285.47
IV. Profit / (Loss) from continuing operations before tax		(49,822.96)	(4,657.97)
Provision for Taxation			
- Current Tax [net of refund relating to earlier years Rs. NIL (2009: Rs.89 Lakhs)]		-	(45.78)
- Income Tax for earlier years		55.52	
- Deferred Tax		(162.32)	114.31
- Fringe Benefit Tax		-	5.25
V. Profit / (Loss) from continuing operations after tax		(49,716.16)	(4,731.75)
VI. Profit / (Loss) from discontinuing operations before tax - (Refer Note 10 on Schedule 16)		(1.15)	285.47
Provision for Taxation			
- Fringe Benefit Tax		-	0.36
VII. Profit / (Loss) from discontinuing operations after tax		(1.15)	285.11
VIII Profit / (Loss) from operating activities after tax before minority interest		(49,717.32)	(4,446.65)
Minority Interest		-	(161.34)
IX. Profit / (Loss) from operating activities after tax after minority interest		49,717.32)	(4,285.31)
Balance brought forward		(3,312.48)	1,645.61
Less: Adjusted towards Amortisation of Goodwill (Refer Note 8 on Schedule 16)		1,517.92	672.78
Less: Adjusted for impairment of Goodwill on consolidation related to opening balance (Refer Note 11 on Schedule 16)		4,750.26	-
X. Balance carried to Balance Sheet		(59,297.98)	(3,312.48)
Earnings Per Share - Basic and Diluted (Rs.) (Refer Note 16 on Schedule 16)		(22.23)	(2.18)
Significant Accounting Policies and Notes to Consolidated Accounts	16		

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account. This is the Consolidated Profit and Loss Account referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

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

R. Nagarajan

Director

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

N. S. Kumar

Director

Deepak Nagori

Chief Financial Officer

19th Annual Report 2009-2010

PVP VENTURES LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before taxation	(49,824.12)	(4,372.51)
Adjustments for operating activities:		
Depreciation	104.66	353.19
Interest income	(13.18)	(61.49)
Interest and Finance charges	1,346.94	2,559.60
Bad debts and provision for doubtful advances	3,080.36	635.11
Loss/(Gain) on sale of Fixed Assets	18.55	(158.65)
Amortisation of Goodwill	-	658.10
Profit on Sale of Discontinuing Operations	-	(894.56)
Income from Mutual Funds	(61.90)	-
Loss/(Gain) on sale of investments	44,073.55	367.61
Write off of Inventories	-	390.00
Write back of excess provision	(190.15)	-
Write off of Preliminary/Preoperative Exp	-	68.54
Receivables written off	0.35	-
Provision for diminution in value of investments	597.00	117.74
Operating profit before Working Capital Charges	(867.94)	(337.32)
Adjustments for:		
Decrease/(Increase) in Inventory	20.69	(381.30)
Decrease/(Increase) in Loans and Advances	(1,070.38)	260.90
Decrease/(Increase) in Other Assets	1.23	-
Increase/(Decrease) in Liabilities	(148.55)	(304.50)
Cash generated from operations	(1,197.01)	(762.22)
Income tax refund/(Payment) net	(40.15)	(15.25)
Net cash used in operating activities	(2,105.09)	(777.47)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(316.46)	(71.22)
Proceeds from sale of fixed assets	14,419.36	2,138.49
Purchase of investments	(5,245.00)	(4,200.00)
Fixed Deposits (Invested)/Matured	(29.69)	403.01
Proceeds from sale of investments	12,927.81	717.03
Interest income	13.18	61.49
Income from Mutual Funds	61.90	-
Proceeds from Discontinuing Operations	-	3,290.12
Net cash from/(used in) investing activities	21,831.09	2,338.92
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	-
Proceeds from long term borrowings	-	2,630.95
Repayment of long term borrowings	(10,325.16)	(2,790.53)
Proceeds from short term borrowings	-	108.82
Repayment of short term borrowings	(1,080.35)	-
Interest paid	(898.84)	(2,559.60)
Net cash from/(used in) financing activities	(12,304.35)	(2,610.36)
Net Increase in Cash and Cash Equivalents (A)+(B)+(C)	7,421.65	(1,048.91)
Cash and cash equivalents at the beginning of the period/year	71.94	1,120.85
Cash and cash equivalents at the end of the period/year	7,493.59	71.94

Notes:

1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements.

2) Comparative figures of the previous period, where necessary, have been regrouped to confirm to those of the current year.

3) The reconciliation to the cash and bank balances as given in the Balance Sheet is as follows:

Particulars	March 31, 2010	March 31, 2009
Cash and bank balances, per Schedule 8	7,662.66	211.32
Less : Fixed deposits with maturity over 90 days	169.07	139.38
Cash and cash equivalents, end of year	7,493.59	71.94
3) Components of cash and cash equivalents:		
Cash on Hand	0.51	0.15
Balances with Scheduled Banks:		
In Current Accounts	7,090.64	55.98
In Dividend Accounts	2.44	6.88
Cheques on Hand	400.00	-
Balance with non-Scheduled Bank		
In Current Account - Deutsche Bank, London, U.K	-	8.93
Total	7,493.59	71.94

This is the consolidated Cash Flow Statement referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

For and on behalf of the Board

Prasad V. Potluri
Chairman & Managing Director

R. Nagarajan

Director

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

N. S. Kumar

Director

Deepak Nagori

Chief Financial Officer

19th Annual Report 2009-2010

Schedules forming part of Consolidated Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 1		
CAPITAL		
Authorised		
3,000,00,000 (2009: 300,000,000) Equity Shares of Rs. 10 each	30,000.00	30,000.00
Issued, Subscribed and Paid-up		
231,643,387 (2009: 231,643,387) equity shares of Rs. 10 each	23,164.34	23,164.34
Less: 8016235 (2009:35396116) Equity Shares held by PVP Energy Private Limited (formerly PVP Malaxmi Energy Ventures Private Limited) (Refer Note 11 on Schedule 16)	801.62	3,539.61
Out of these, 143,708,722 (2009:143,708,722) equity shares of Rs. 10 each are held by M/s. Platex Limited, the holding company.		
Of the above:		
a) 173,759,567 equity shares of Rs.10 each fully paid-up to be issued pursuant to the Scheme of Amalgamation of PVP Ventures Private Limited with the Company.		
b) 6,120,400 equity shares of Rs. 10 each have been allotted by way of bonus shares, by capitalising share premium. way of bonus shares, by capitalising share premium. pursuant to a contract without payment being received in cash.		
d) 694,444 equity shares of Rs. 10 each have been allotted consequent to issue of equivalent number of Global Depository Receipts.		
e) 32,144,940 equity shares of Rs. 10 each have been allotted to the shareholders of Buckingham Real Estate and Asset Developers Limited (BREAD), pursuant to the scheme of amalgamation between BREAD and the Company in the ratio of 642 shares of the company for every 1 share of BREAD .		
f) 22,200 equity shares of Rs. 10 each have been allotted under Employee Stock option plan 1999.		
Total	22,362.72	19,624.73

Schedules forming part of Consolidated Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 2		
RESERVES AND SURPLUS		
Securities Premium Account	51,679.53	51,679.53
	51,679.53	51,679.53
General reserve	-	844.39
Opening balance	-	-
Additions during the year	3,211.24	-
- Profit on sale of Fixed assets (Refer Note 12 of schedule 16)	-	(844.39)
Less: Amortization of Goodwill	-	-
	3,211.24	-
Capital reserve	22.88	22.88
	54,913.64	51,702.41
Total		
Schedule 3		
SECURED LOANS		
Term Loans from a Bank		
- Term Loan	-	7,531.73
- Interest accrued and due	-	52.97
[Secured by hypothecation of land at Perambur, Chennai]		
From Others - Other than Short Term		
- Term Loan	5,909.88	8,008.15
- Interest accrued and due	-	194.09
[Secured by hypothecation of land at ECR Road, Chennai, and 4,99,999 equity shares of subsidiary company PVP Corporate Parks Private Limited		
Part of the shares held by PVP Energy Private Limited has been given as collateral security and the same is guaranteed by the promoters		
Hire Purchase Loans	3.28	22.00
[Secured by hypothecation of respective vehicles]		
	5,913.17	15,808.94
Total		
Schedule 4		
UNSECURED LOANS		
(a) From other than banks, other than short term		
- Debentures to Holding Company - Platex Limited 40,644 (2009: 40,644), 14.5% Redeemable Fully Convertible Debentures of Rs. 100,000 each (All debentures are convertible into equity shares at any time on or before January 22, 2011.)	40,644.00	40,644.00
707 0% Compulsorily Convertible Debentures of Rs.100000 each These CCDs shall be converted into shares on occurrence of trigger event, else it can be converted at any time during the period from five years to ten years from date of issuance of CCDs	707.00	-
100,000,000 (2009: 100,000,000), 0% Optional Convertible Debentures of Rs.10 each * (These debentures were optionally convertible into equity shares of the Company at any time upto July 27, 2008 which has been extended upto June 30, 2009 and thereafter they become immediately due and payable.)	-	10,000.00
* Reclassified in the current year as Current Liabilities as it has fallen due		
(b) Short Term Loans		
- From a director	-	-
- From others	141.00	172.74
(c) Debenture Application Money	0.59	707.59
(d) Deposits	-	1,029.89
	41,492.59	52,554.22
Total		

19th Annual Report 2009-2010

Schedules forming part of Consolidated Balance Sheet

**Schedule 5
FIXED ASSETS**

(Rs.in Lakhs)

Description	GROSSBLOCK				DEPRECIATION				NET BLOCK	
	Asat April1,2009	Additions	Deletions/ Adjustments	Asat March31,2010	Asat April1,2009	Forthe Year	On Deletions	Asat March31,2010	Asat March31,2010	Asat March31,2009
Intangible Assets										
Goodwill *	15,179.21	-	-	15,179.21	1,517.18	1,517.92	-	3,035.10	12,144.11	13,662.04
Goodwill on Consolidation**	75,179.38	-	58,962.41	16,216.97	-	-	-	-	16,216.97	75,179.38
	90,358.59	-	58,962.41	31,396.18	1,517.18	1,517.92	-	3,035.10	28,361.08	88,841.42
Tangible Assets***										
Land	6,061.33	-	4,106.81	1,954.52	612.18	-	-	-	1,954.52	6,060.32
Building	8,067.60	312.86	6,477.61	1,902.85	658.24	55.51	496.14	171.54	1,731.31	7,456.65
Plant & Machinery	1,590.87	3.60	1,515.79	78.68	157.44	32.94	665.50	25.69	52.99	921.13
Furniture & Fixtures	497.00	-	420.58	76.42	10.35	12.90	155.50	14.84	61.58	307.69
Vehicles	54.95	-	31.27	23.68	10.35	3.31	8.25	5.41	18.27	47.04
	16,271.75	316.46	12,552.05	4,036.15	1,438.21	104.66	1,325.38	217.49	3,818.67	14,792.83
TOTAL	106,630.33	316.46	71,514.46	35,432.33	2,955.39	1,622.58	1,325.38	3,252.58	32,179.75	103,634.25
Previous Year	110,542.70	71.22	4,024.32	106,589.60	1,444.80	1,870.36	359.81	2,955.35	103,634.25	109,097.90
Capital work in Progress	1.13	-	1.13	-	-	-	-	-	-	1.13

* Refer Note 8 on Schedule 16.

** Refer Note 11 on Schedule 16.

*** Consolidation of opening balances from Holding and subsidiaries balance sheets shows an unreconciled net difference of Rs.40.73 Lakhs in the opening gross block of tangible assets and Rs.0.04 lakh in opening accumulated depreciation.

Schedules forming part of Consolidated Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 6		
INVESTMENTS		
LONG TERM - AT COST		
Quoted		
Aptech Limited 100 (2009: 100) equity shares of Rs.10 each paid up [Market value as at March 31, 2010 - Rs. 0.167 lakhs (2009: Rs. 0.08 lakhs)]	0.05 -	0.05
(A)	0.05	0.05
CFL Capital Financial Services Limited 2,000 (2009: 2,000) 13% cumulative preference share of Rs. 10 each paid up [Market value as at March 31, 2010 - Rs. 0.06 lakhs (2009: 0.06)]	2.00	2.00
Less: Provision for diminution in value of investments	2.00	2.00
(B)	-	-
UnQuoted		
PVP Star Hotels Private Limited 12,500 [2009 - 12,500] Equity Shares of Rs.10 each fully paid up	201.00	201.00
Jagati Publications Private Limited [3,055,553 (2009: 2,499,998) Equity Shares of Rs.10 each fully paid up at a premium of Rs. 350 per equity share]	11,000.00	9,000.00
Mimosa Enterprises Private Limited [3,33,333 (2009: Nil) Equity Shares of Rs.10 each fully paid up at a premium of Rs. 290 per equityshare]	1,000.00	-
Long Term investment in Zero Coupon Optionally Convertible Debentures convertible at any time with in a period of 10 Years into fully paid equity shares of Rs. 10 each at a price to be fixed by Board of directors or the company :		
P 'n' V Real Estate Private Limited [4500 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	450.00	-
Stone Valley Private Limited [3500 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	350.00	-
Crust Realtors Private Limited [3280 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	328.00	-
Hercules Real Estates Private Limited [200 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	20.00	-
[5970 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	597.00	-
Mantle Realtors Private Limited [5000 (2009: Nil) 0% Optionally Convertible Debentures of Rs. 10,000 each	500.00	-
	14,446.00	9,201.00
Less: Provision for Diminution in value of Investment	(597.00)	
(C)	13,849.00	9,201.00
CURRENT INVESTMENTS - LOWER OF COST OR MARKET VALUE		
Quoted		
Reliance Banking Fund - Dividend plan Nil (2009 - 331,125,828) units of Rs.10 each [Net Asset Value as at March 31, 2010 - Rs.Nil (2009: 51.22 lakhs)]	-	100.00
	-	100.00
Less: Provision for dimunition in value of Investments	-	48.78
(D)	-	51.22
Total (A)+(B)+(C)+(D)	13,849.05	9,252.27
Schedule 7		
INVENTORIES- LOWER OF COST OR NRV		
Land	219.01	219.01
Work-in-progress	23,269.37	23,290.06
Less: Write down in value of Inventories	390.00	390.00
	22,879.37	22,900.06
Total	23,098.38	23,119.07

19th Annual Report 2009-2010

Schedules forming part of Consolidated Balance Sheet

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 8		
CASH AND BANK BALANCES		
Cash on Hand	0.51	0.15
Balances with Scheduled Banks:		
- In Current Accounts	7,090.64	55.98
- In Deposit Accounts *	169.07	139.38
- In Dividend Accounts	2.44	6.88
- Cheques in hand	400.00	-
Balances with Non Scheduled Banks		
- On Current Account - Deutsche Bank, London, U.K. **	-	8.93
Total	7,662.66	211.32
* includes Rs.150.34 lakhs (2009: Rs.139.38 lakhs) given on lien.		
** Maximum balance at any time during the year Rs. 8.93 lakhs (2009: 8.93 lakhs)		
Schedule 9		
OTHER CURRENT ASSETS		
Interest accrued on debentures/deposits	2.47	3.70
Total	2.47	3.70
Schedule 10		
LOANS AND ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
(Refer Note 5 on Schedule 16)		
Deposits	38.78	125.21
Advance recoverable in cash or in kind or for value to be received		
- Considered good*	7,761.62	9,541.03
- Considered doubtful	4,341.38	1,261.02
	12,103.00	10,802.05
Less: Provision for doubtful advances	4,341.38	1,261.02
	7,761.62	9,541.03
Advance towards investments in bodies corporate		
- Considered good	800.00	800.00
- Considered doubtful	3,051.88	3,051.88
	3,851.88	3,851.88
Less: Provision for doubtful advances	3,051.88	3,051.88
	800.00	800.00
TDS Receivable/Advance tax	314.77	351.56
*includes amounts due from bodies corporate and companies under same management as given below		
from Holding Company Rs. 7.78 lakhs (2009: 7.78 lakhs)		
[maximum outstanding during the year 7.78 lakhs (2009: 7.78 lakhs)]		
- from Companies under same management Rs. 1128.78 lakhs (2009: 362.84 lakhs)		
[maximum outstanding during the year 1368.92 lakhs (2009: 387.41 lakhs)]		
Total	8,915.17	10,817.80

Schedules forming part of Consolidated Balance Sheet

(Rs. in Lakhs)

March 31, 2010 March 31, 2009

Schedule 11		
LIABILITIES		
Sundry Creditors		
- Outstanding dues of Micro enterprises and small enterprises	1.98	-
- Others	103.06	224.59
	105.04	224.59
Unclaimed dividends	2.44	6.88
Book overdraft	0.24	1.51
Advances	10,000.00	10,000.00
Other Liabilities	184.39	215.65
100,000,000 (2009: 100,000,000), 0% Optional Convertible Debentures of Rs.10 each* (These debentures were optionally convertible into equity shares of the Company at any time upto July 27, 2008 which has been extended upto June 30, 2009 and thereafter they become immediately due and payable.) * Reclassified in the current year as Current Liabilities as it has fallen due. In the previous year this was shown under Unsecured loan.	10,000.00	-
Total	20,292.10	10,448.63
PROVISIONS		
Employee benefits	25.66	17.68
Income tax (net of Advance tax)	-	26.93
Provision for Fringe benefit tax (net of Advance tax)	5.37	5.95
Provision for ULT	0.21	0.21
Total	31.24	50.77
Schedules forming part of Consolidated Profit and Loss Account		
Schedule 12		
INCOME FROM OPERATIONS		
Rent for Occupation / Facilities	62.53	996.59
Hospitality Revenue	-	34.92
Total	62.53	1,031.51
Schedule 13		
OTHER INCOME		
Interest Income on deposits/others		
- From Deposits with banks (Gross)	13.18	61.49
Profit/(Loss) on sale of Fixed Assets	0.14	172.43
Profit on sale of discontinuing operations	-	894.56
Profit/(Loss) on sale of Investments - net	-	1.90
Gain/(Loss) on Foreign Exchange Fluctuations - net	-	1.84
Income from Current investments	61.90	
Miscellaneous Income	92.41	
Provisions(no longer required) written back	190.15	4.05
Total	357.51	1,136.26

19th Annual Report 2009-2010

Schedules forming part of Consolidated Profit and Loss Account

(Rs. in Lakhs)

	March 31, 2010	March 31, 2009
Schedule 14		
ADMINISTRATION AND OTHER EXPENSES		
Employee Cost		
- Salaries Wages and Bonus	207.52	478.28
- Staff Welfare Expenses	3.05	8.57
- Contribution to Provident and other funds	2.22	5.80
Materials Consumed for hospitality services	-	4.82
Rent	279.09	42.75
Power and Fuel	6.32	30.73
Legal and Professional Charges	229.38	389.25
Repairs and Maintenance		
- Building	1.73	38.09
- Plant and Machinery	0.66	0.87
- Other assets	13.78	17.19
Insurance	1.32	6.82
Rates and Taxes	30.88	191.46
Travelling and conveyance	59.55	120.85
Bad debts	-	0.86
Fixed Assets written off	-	13.77
Provision for doubtful advances/advances written off	3,080.36	634.26
Loss on sale of Investments - net	-	369.51
Provision for dimunition in value of Investments	597.00	-
Coporate Administration Charges	-	-
Amortisation of Goodwill on Consolidation	-	658.10
Write down in value of Inventories	-	390.00
Preliminary/Pre-operative expenses written off	-	68.54
Miscellaneous Expenses	139.69	39.25
Loss on sale of Fixed Assets	18.69	-
Total	4,671.25	3,509.74
Schedule 15		
INTEREST		
- On Debentures	-	-
- On Fixed Loans	1,346.94	2,559.60
- Others	-	-
Total	1,346.94	2,559.60

Schedule 16 : Notes to Consolidated Financial Statements

Principles of Consolidation

The consolidated financial statements have been prepared in accordance with historical cost convention, on the accrual basis of accounting, on going concern basis and in accordance with the accounting principles generally accepted in India to comply with the Accounting Standards notified under section 211(3C) of the Companies Act 1956 ("the Act") and the relevant provisions of the Act.

In the preparation of these Consolidated Financial Statements, investments in Subsidiaries have been accounted for in accordance with AS-21, Accounting for Consolidated Financial Statements notified 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 Ventures Limited, 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.

List of subsidiaries considered for Consolidation:

Name of the Subsidiary Company	Country	%age of holding by the Company	%age of holding by TEL
New Cyberabad City Projects Private Limited (NCCPPL)	India	100.00%	-
PVP Energy Private Limited (formerly PVP Malaxmi Energy Ventures Private Limited) (PEL)	India	100.00%	-
Maven Infraprojects Private Limited (MIPL)	India	100.00%	
PVP Business Ventures Private Limited (PBVPL)	India	100.00%	-
PVP Business Towers Private Limited (PBTPL)	India	100.00%	
PVP Corporate Parks Private Limited (PCPPL)	India	100.00%	-
AGS Hotels & Resorts Private Limited (AHRL)	India	100.00%	-
Cuboid Real Estates Private Limited (CRE)	India	100.00%	
Telephoto Entertainments Limited (TEL)	India	65.81%	-
PVP Screens Private Limited	India	-	100%

The name of Telephoto International Pte Limited, Singapore, (TIPL) 100% subsidiary of the Group was struck off from the records of the Accounting and Corporate Regulatory Authority, Singapore, w.e.f. on January 15, 2010 and hence TIPL ceased to be in existence effective from this date and consequently not considered for the purpose of consolidation.

Significant Accounting Policies

(a) Revenue Recognition

Income from sale of property is recognized as and when transfer of property takes place.

(b) 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. The profit / loss on sale or write off of assets are included in Reserves & Surplus in the Balance Sheet, being capital account transactions in one of the subsidiary company PVP Corporate Parks Pvt Ltd and in all other companies it is taken to profit and loss account

19th Annual Report 2009-2010

(c) 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 Rs. 5,000 are depreciated in full in the year of acquisition.

(d) 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.

(e) 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.

(f) 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, land development rights and for the development of land.

In respect of the companies engaged in hotels business, stocks of food, beverage, operating supplies and stores and supplies are valued at lower of cost or net realizable values.

(g) Employee Benefits

Gratuity

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

Leave Encashment

Leave encashment is paid for in accordance with the rules of the Company and provided based on

an actuarial valuation as at the balance sheet date. Actuarial gains /losses are recognized immediately in the profit and loss account.

Other Benefit Plans

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

(h) Taxes on Income

(a) 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.

(b) 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.

(i) 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.

3. Contingent Liabilities

a) The Parent Company, in July 2009, had received Income Tax assessment orders and demand notice assessing it as an agent related to the interest income alleged to be accrued on the FCDs issued to Platex Limited, the Debenture Holder. The demand raised by the IT department is of Rs. 25.13 crores. The Parent

Company has filed an appeal against this order and is awaiting further developments on this matter.

- b) PVP Ventures Pvt. Ltd. booked an interest income of Rs. 10.62 crores from debentures subscribed to its subsidiaries, NCCPPL and PEL, during the FY 2006-07. However, since it had corresponding interest expense to Platex and other related expenses, it showed this income as a reduction from the Pre-operative expenditure. No P&L A/c was prepared for the FY 2006-07 and a NIL return was filed. The AO assessed the above mentioned income as taxable and raised a demand of Rs. 4.73 crores in an order passed in Jan 2010. The Parent Company has filed an appeal against this order and hearings are awaited.
 - c) In respect of AGS Hotels and Resorts Private Limited, the Company is liable, even after the sale of its business operations, for any liability arising out of the discontinued operations for the period it had carried out the business. However, the Company has settled all known statutory and other liabilities and as at March 31, 2010, the Company has not received any claims as regards the discontinued business operations.
4. The Company carried out independent valuation of its land which is held as Inventory in Perambur at Chennai and land at Hyderabad. The valuer estimated the value of the land to be Rs.69294.50 Lakhs and Rs.102150 lakhs respectively. Hence the Company has ascertained that the net realisable value of these assets is more than their carrying cost of Rs.8083.59 lakhs and Rs. 14683.31 lakhs in the books of account respectively. The Company had entered into a joint development agreement for the land at Perambur at Chennai with a consortium of Unitech Limited and Arihant Foundations and Housing Limited. There has been some progress in the project subsequent to the year end and the Company expects to start receiving cash flows from the year ended March 31, 2011. Considering these factors and the expected future cash flows, the Company has prepared these accounts on a going concern basis.
 5. The Subsidiary Company New Cyberabad City Projects Private Limited has given advances to certain parties amounting to Rs. 7498.00 Lakhs towards acquisition of land, land development and land development rights. The land development rights have been executed by these parties in favour of the Company. Accordingly, the Company has considered such advances as good and recoverable and no provision has been made towards these advances.
 6. The net worth of six subsidiaries of the Company, namely New Cyberabad City Projects Private Limited (NCCPPL), Maven Infraprojects Private Limited (MIPL), PVP Business Ventures Private Limited (PBVPL), PVP Business Towers Private Limited (PBTPL), Cuboid Real Estates Private Limited (CRE), Telephoto Entertainments Limited (TEL) has fully eroded as March 31, 2010. The ability of these entities to continue as going concerns is dependent on the Holding Company's ability to provide continued support including waiver of interest on debentures and providing further funding where applicable and also on the revival of projects/ alternative strategies being evolved by the management of these subsidiaries. The financial statements of these subsidiaries do not include any adjustment that may be required to the recoverability and classification of recorded asset amounts or to the classification of the liabilities if these subsidiaries are unable to continue as going concerns.
 7. During the year, Mr. Y. Harish Chandra Prasad resigned as Chairman and Managing Director of PVP Energy Private Ltd effective from November 24, 2009. In accordance with the terms of his appointment, Mr. Harish was paid a remuneration of Rs. 17,019,793/- and Rs. 10,282,625/- during the financial year 2008-09 and 2009-10. Since, such remuneration were in excess of the limits prescribed under Section 198 read with Schedule XIII of the Companies Act, 1956, the Company had made the requisite application to the Central Government for its approval, which was withdrawn post his resignation. In accordance with section 309 (5A) of the Act, Mr. Harish is required to refund Rs. 27,302,418/- to the Company and until this is refunded, Mr. Harish holds it in trust for the Company. This amount is included under advances.
 8. Pursuant to the merger of PVP Ventures Private Limited with the Company, goodwill amounting to Rs. 15,179.21 Lakhs, representing the excess of consideration paid over the net assets acquired, had been accounted for in the books of account. As per the terms of the Scheme of Amalgamation, the goodwill has to be set off against the reserves of the Company in a phased manner over a period of ten years beginning April 1, 2008. Accordingly, an amount of Rs. 1,517.92 Lakhs has been adjusted directly to the opening Profit and Loss Account balance during the year.

19th Annual Report 2009-2010

9. During the year Platex Limited, the Group's ultimate parent has waived the interest receivable on secured debentures issued to it by the Company. Accordingly, interest expenditure amounting to Rs. 5,893.38 Lakhs (2009:Rs. 6,465.43 Lakhs) for the year ended March 31, 2010 on the debentures outstanding has not been recorded in these financial statements.
10. In August 2008, the group disposed off its hotel situated in Ooty. The disposal is consistent with the group's long term strategy to focus only on Real estate and Energy activities and to divest unrelated activities.
11. During the year, the Group has sold 27,379,881 shares of the holding company PVP Ventures Limited and the related Goodwill of Rs. 54212.15 Lakhs has been written down on the sale of such investment. Further, adjustment for impairment of Goodwill relating to opening balance to the extent of Rs. 4750.26 Lakhs has been charged off to opening profit and loss account balance. The subsidiary company continues to hold the balance 8016235 shares in PVP Ventures Limited, the face value of the same has been reduced from the share capital.
12. Hitherto, the company and all its subsidiaries followed the accounting policy of taking the profit or loss on sale of fixed assets to profit and loss A/c. During the year, the accounting policy of one of the subsidiary company namely "PVP Corporate Parks Pvt Ltd" has been changed and, the profit or loss on sale of fixed assets has been taken directly to Reserves and Surplus. Due to this change, consolidated loss for the year before tax is stated more to the extent of Rs.3211.24 Lakhs and consolidated loss after tax is stated more to the extent of Rs. 2682.62 Lakhs.

13. Employee Benefits

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

Amounts recognized in the balance sheet

(Rs. in Lakhs)		
	March 31,2010	March 31,2009
Present value of funded obligation	3.70	5.04
Less: Fair value of assets*	-	-
Net Liability / (Asset)	3.70	5.04

* 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.

Cost for the period

(Rs. in Lakhs)		
	March 31,2010	March 31,2009
Current service cost	(1.46)	1.36
Interest cost	0.40	0.29
Actuarial (gain)/loss	(0.55)	(0.29)
Cost recognized	1.31	1.36

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

(Rs. in Lakhs)		
	March 31,2010	March 31,2009
Opening defined benefit	5.04	3.68
Current service cost	(1.46)	1.36
Interest cost	0.40	0.29
Actuarial loss/(gain)	(0.55)	(0.29)
Benefits paid	(2.67)	
Projected benefit obligation at the end of the period	3.70	5.04

Principal Actuarial assumptions used:

	March 31,2010	March 31,2009
Discount rates	8.00%	8.00%
Expected salary increase rates	7.50%	7.50%
Expected rate of return on plan assets	-	-

The following table sets forth the status of the Leave Encashment Plan of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

Amounts recognized in the balance sheet

(Rs. in Lakhs)		
	March 31,2010	March 31,2009
Present value of funded obligation	21.97	12.63
Less: Fair value of assets	-	-
Net Liability / (Asset)	21.97	12.63

Cost for the period

(Rs. in Lakhs)		
	March 31,2010	March 31,2009
Current service cost	9.34	5.53
Interest cost	1.01	0.56
Actuarial (gain)/loss	9.56	(0.57)
Cost recognized	19.92	5.53

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

(Rs. in Lakhs)

	March 31,2010	March 31,2009
Opening defined benefit	12.63	7.10
Current service cost	9.34	5.53
Interest cost	1.01	0.56
Actuarial loss/(gain)	9.56	(0.57)
Benefits paid	(10.57)	-
Projected benefit obligation at the end of the period	21.97	12.63

Principal Actuarial assumptions used:

	March 31,2010	March 31,2009
Discount rates	8.00%	8.00%
Expected salary increase rates	7.5%	7.5%
Expected rate of return on plan assets	-	-

Data regarding experience adjustment and estimate for next year has not been furnished by the actuary.

Defined contribution plans

In respect of the defined contribution plans, an amount of Rs. 2.22 Lakhs (2009: 4.31 Lakhs) has been recognized in the Profit and Loss Account during the year.

The subsidiaries, within the consolidated Group have provided for the employee benefits on actual basis as per the prevailing policies of the companies and have not carried out any actuarial valuations as the numbers of employees in these companies are very less.

14. Segment Reporting

- a. The segment report of PVP Ventures Limited and its consolidated subsidiaries has been prepared in accordance with Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- b. The corporate strategy of the Group aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on three business segments:
 - i. Real Estate and Property Development,
 - ii. Power and Energy
 - iii. Media and Entertainment
 - iv. Others

The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- c. For the purpose of reporting , business segments are primary segments .The Group's activities are restricted within India. The conditions prevailing within India being predominantly uniform, no separate geographical segment disclosure is considered necessary.
- d. During the previous year, the Group has discontinued the Hotels segment and has disposed off the assets relating to this segment.
- e. The various business segments comprise of the following companies:

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

19th Annual Report 2009-2010

g. The details of segment information are given below:

Particulars	31-03-2010	31-03-2009
1. Segment Revenues		
Real Estate and Property Development	62.53	1,062.00
Power and Energy	-	-
Media and Entertainment	-	1.40
Others (refer note (d) above)	357.51	1,104.38
Total	420.04	2,167.77
2. Profits/(Loss)		
Real Estate and Property Development	(49,585.11)	(3,192.30)
Power and Energy	(203.84)	(993.69)
Media and Entertainment	(5.19)	(23.52)
Others (refer note (d) above)	(2.91)	(162.99)
Total	(49,797.05)	(4,372.50)
Other Unallocable Expenses (net of Unallocable Income)	-	(168.43)
Extra Ordinary	-	-
Prior period Expenses	27.07	
Profit Before Tax	(49,824.12)	(4,204.07)
Provision for Tax	106.79	(74.14)
Profit After Tax	(49,717.33)	(4,278.21)
3. Capital Employed		
Segmental Assets		
Real Estate and Property Development	73,524.43	1,37,781.22
Power and Energy	171.54	196.42
Media and Entertainment	12,008.60	7.99
Others (refer note (d) above)	2.91	53.91
Total Assets	85,707.48	1,47,039.54
Segment Liabilities		
Real Estate and Property Development	66,918.62	77,453.52
Power and Energy	795.16	1,376.23
Media and Entertainment	13.90	11.10
Others (refer note (d) above)	1.42	21.71
Total Liabilities	67,729.10	78,862.56
4. Capital Employed		
Real Estate and Property Development	6,605.80	60,327.70
Power and Energy	(623.62)	(1,179.81)
Media and Entertainment	11,994.70	8,996.89
Others (refer note (d) above)	1.49	32.21
Total Capital Employed	17,978.37	68,176.99
Capital Expenditure		
Real Estate and Property Development	316.46	71.22
Power and Energy	-	-
Media and Entertainment	-	9.44
Others (refer note (d) above)	-	33.53
Total Capital Expenditure	316.46	46.64
5. Depreciation		
Real Estate and Property Development	1,621.83	1,817.16
Power and Energy	-	-
Media and Entertainment	-	-
Others (refer note (d) above)	-	53.95
Total	1,621.83	1,871.11

15. In view of the absence of virtual certainty in future profitability of the parent company and all its subsidiaries, deferred tax asset on carry forward losses and others have not been recognized on the grounds of prudence. The following are the details of deferred tax liabilities recognized:

(Rs. in Lakhs)

Particulars	March 31, 2010	March 31, 2009
a) Deferred Tax Asset:	-	-
On Carry forward loss	-	-
b) Deferred Tax Liability		
- On account of depreciation	-	162.32
Deferred Tax Liability (net)	-	162.32

16. Earnings per Share (EPS):

Particulars	March 31, 2010	March 31, 2009
Nominal Value of Equity Shares (Rs. per Share)	10	10
Weighted average number of Equity Shares outstanding during the period	2,23,62,71,520	19,62,47,271
Profit (Loss) after Taxes for the purpose of EPS (Rs. in Lakhs)	(49717.33)	(4285.31)
Earnings Per Share (in Rs.)	(22.33)	(2.18)

Notes:

- a) In view of cross holdings, only closing shares are considered for the purpose of computing the EPS.
 b) Since the potential equity shares arising out of convertible debentures outstanding as at March 31, 2010 would be anti-dilutive in nature, the basic and diluted EPS are the same.

17. Lease Rentals

The Company has entered into operating leases agreements for office premises and an amount of Rs. 279.09 Lakhs (2009: Rs. 42.75 Lakhs) paid under such agreement have been charged to 'Rent' in Schedule 14. However, the said agreements were cancelled during the year.

The lease rentals paid during the year and the future lease obligations (including HP EMI's) for agreements in vogue as at 31st March, 2010 are as follows:

(Rs. In Lakhs)

Particulars	March 31, 2010	March 31, 2009
Due within 1 year from the Balance Sheet date	3.28	5.13
Due between 1 and 5 years	Nil	3.28
Due after 5 years	Nil	Nil
HP Lease rent paid during the year	5.13	4.55

18. Related Party Disclosures:

19th Annual Report 2009-2010

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

Description of relationship	Names of related parties
Holding Company	Platex Limited (PL)
Enterprises where key management personnel exercise significant influence	Maven BPO Services Private Limited (MBSPL) Whitecity Infrastructure (India) Private Limited (WIL) PVP IT Parks Private Limited (PVPIT) Godavari Infracon Private Limited (GIPL) Waltair Promoters Private Limited (WPPL) PKP Infraprojects Private Limited (PKP) Adobe Realtors Pvt.Ltd.(ARPL) Arete Real Estate Developers Pvt.Ltd.(AREDPL) Axil Realtors Private Limited (AXRPL) Expressions Real Estate Pvt.Ltd (ERPL) Mistair Realtors Pvt.Ltd.(MRPL) Crust Realtors Private Limited (CRPL) Dakshin Realities Private Limited (DRPL) Hercules Real Estates & Projects Private Limited (HREDPL) Magnum Opus Real Estates & Projects Private Limited (MOREPL) Mantle Realtors Private Limited (MARPL) Metaphor Real Estates & Projects Private Limited (MREPL) Ordeal Realtors Private Limited (ORPL) P n V Real Estates & Developers Private Limited (PNVRDPL) Pragmatic Real Estate Developers Private Limited (PREDPL) Shakti Realtors Private Limited (SRPL) Sputnik Real Estate Developers Private Limited (SREDPL) Stone Valley Real Estates & Projects Private Limited (SVREPL) Vijetha Real Estate Developers Private Limited (VIREDPL) Virtuous Real Estate Developers Private Limited (VREDPL) Malaxmi Energy Trading Private Limited (METPL) Malaxmi Energy Ventures (India) Private Limited (MEVPL) Bruma Properties Private Ltd (BPPL) Hercules Real Estates and Projects Private Limited (HREPL) PVP Megapolis Pvt Ltd (PVPMPPL)
Key Management Personnel and their relatives	Mr. Prasad V. Potluri (PV) Mr. Y. Harish Chandra Prasad (YHCP) Mrs. Jhansi Sureddi Mrs. P. Sai Padma (PSP) Dr. Anne Sai Laxmana (ASL) Mr. Deepak Nagori

PVP VENTURES LIMITED

(b) Summary of transactions with the related parties, during the year ended March 31, 2010 and balances as at the March 31, 2010

(Rs. in Lakhs)

Nature of transactions	Transactions for the Year		Balance as at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
i) Unsecured Loans Availed (Net)/ Amount Payable				
a) Holding Company Platex Limited	707.00	0.00	707.00	0.00
b) Enterprises where key management personnel exercise significant influence				
- PVPIT	(11.00)	11.00	0.00	11.00
- METPL	0.00	66.00	66.00	66.00
c) Key Management Personnel and their relatives Prasad V Potluri	(2.88)	0.00	0.00	2.88
ii) Loans / Advances given (Net)				
a) Holding Company Platex Limited	0.00	0.00	7.78	7.78
b) Enterprises where key management personnel exercise significant influence				
- AREDPL	99.01	167.25	2019.73	1920.72
- ARPL	121.65	259.06	993.02	871.37
- AXRPL	(9.90)	230.31	1544.38	1554.28
- BPPL	0.00	0.00	35.00	35.00
- DRPL	0.00	0.00	0.12	0.12
- ERPL	101.28	532.90	1554.75	1453.47
- HREDPL	0.00	250.00	250.00	250.00
- MARPL	(5.00)	10.46	529.58	534.58
- MEVPL	0.00	175.00	0.00	0.00
- MOREPL	0.00	0.00	0.12	0.12
- MRPL	0.01	0.00	0.13	0.11
- ORPL	0.01	0.00	0.13	0.12
- PKP	0.02	0.02	0.04	0.02
- PREDPL	0.00	0.00	0.12	0.12
- PVPIT	(3.41)	3.41	0.00	3.41
- PVP MPL	0.01	0.00	0.24	0.23
- SREDPL	0.00	0.00	0.12	0.12
- SRPL	415.61	343.37	759.10	343.49
- VREDPL	0.00	0.00	0.12	0.12
- WIL	572.10	22.02	1127.83	555.73
- WPPL	0.00	0.05	0.05	0.05
- GIPL	0.01	0.00	0.86	0.85
c) Key Management Personnel and their relatives				
- YHCP (refer Note no.7)	102.83	170.19	273.02	170.19
- PV	0.00	(305.60)	0.00	0.00
- ASL	0.00	(7.95)	130.85	130.85
- PSP	0.00	(7.95)	133.51	133.51

19th Annual Report 2009-2010

(Rs. in Lakhs)

Nature of transactions	Transactions for the Year		Balance as at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
iii) Provisions for Advances				
a) Enterprises where key management personnel exercise significant influence				
- AXRPL	0.00	390.00	390.00	390.00
- AREDPL	0.00	370.00	370.00	370.00
- HREDPL	0.00	250.00	250.00	250.00
- DRPL	0.12	0.00	0.12	0.00
- MOREPL	0.12	0.00	0.12	0.00
- MARPL	529.58	0.00	529.58	0.00
- MRPL	0.13	0.00	0.13	0.00
- ORPL	0.13	0.00	0.13	0.00
- PREDPL	0.12	0.00	0.12	0.00
- SRPL	759.10	0.00	759.10	0.00
- SREDPL	0.12	0.00	0.12	0.00
- VREDPL	0.12	0.00	0.12	0.00
- WIL	977.83	0.00	977.83	0.00
b) Key Management Personnel and their relatives				
YHCP (refer Note no.7)	273.02	0.00	273.02	0.00
iv) Loans / Advances taken (Net)				
Enterprises where key management personnel exercise significant influence				
- AREDPL	0.00	1.99	0.00	0.00
- ARPL	0.00	0.40	0.00	0.00
- CRPL	(108.00)	(1.00)	(108.88)	(0.88)
- HREDPL	0.00	(1.00)	(0.88)	(0.88)
- MREPL	0.00	(1.00)	(0.88)	(0.88)
- PNVRDPL	0.10	(1.00)	(0.78)	(0.88)
- SVREPL	0.11	(1.00)	(0.78)	(0.88)
- VIREDPL	0.11	(1.00)	(0.77)	(0.88)
v) Investments in debentures				
Enterprises where key management personnel exercise significant influence				
- CRPL	328.00	0.00	328.00	0.00
- HREDPL	617.00	0.00	617.00	0.00
- MARPL	500.00	0.00	500.00	0.00
- PNVRDPL	450.00	0.00	450.00	0.00
- SVREPL	350.00	0.00	350.00	0.00
vi) Provision for diminution in value of Investments in debentures				
Enterprises where key management personnel exercise significant influence				
- HREDPL	597.00	0.00	597.00	0.00
vii) Re-imburement of expenses				
Key Management Personnel – PV	0.43	0.00	0.00	0.00
viii) Amounts Payable				
Key Management Personnel –PVP	(0.43)	0.00	0.00	0.43

PVP VENTURES LIMITED

19. One of the Subsidiaries named PVP Corporate parks private limited invested a net amount of Rs. 16.48 crores during the year in 0% Optionally Convertible Debentures (OCDs) of Companies for developing real estate projects in and around Hyderabad. These OCDs are convertible at any time with in 10 years into fully paid equity shares of Rs.10/- each at price to be determined by Board of Directors of the Company at the time of conversion. Considering the long term nature of such investments and the potential to generate returns in the long run, no provision has been made for diminution in value of such investments.
20. One of the Subsidiaries named New Cyderabad city Projects Private limited (NCCPPL), invested an amount of Rs. 5.97 crores during the year in 0% Optionally Convertible Debentures (OCDs) of Companies for developing real estate projects in and around Hyderabad. These OCDs are convertible at any time with in 10 years into fully paid equity shares of Rs.10/- each at price to be determined by Board of Directors of the Company at the time of conversion. On a conservative basis, provision for diminution in value of investment made during the year.
21. The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.
22. Previous period figures have been regrouped/reclassified, wherever necessary, to conform to those of the current year.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V. Kothandaraman

Partner
Membership No.: 25973

Place: Chennai

Date: July 30, 2010

For and on behalf of the Board

Prasad V. Potluri

Chairman & Managing Director

R. Nagarajan

Director

Dhiraj Kumar Sinha

GM - Legal & Company Secretary

N. S. Kumar

Director

Deepak Nagori

Chief Financial Officer

For Members Use

PVP VENTURES LIMITED

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031

ATTENDANCE SLIP

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

DP ID	
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REGD. FOLIO NO.	
-----------------	--

CLIENT ID	
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Name and Address of the Shareholder

No. of Share(s) Held

I/we hereby record my/our presence at the 19th Annual General Meeting of PVP Ventures Limited held on Thursday, September 30, 2010 at 10.00 a.m. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006.

Signature of the Shareholder/Proxy.....



PVP VENTURES LIMITED

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031

PROXY FORM

DP ID	
-------	--

REG. FOLIO NO.	
----------------	--

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

NO. OF SHARE(S) HELD	
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I/We.....

.... ofbeing a Member of PVP Ventures Limited hereby appoint

Mr.of.....

..... or failing him Mr..... of.

..... as my/our proxy to vote for me/us/and on my/our behalf, at 19th Annual General Meeting of PVP Ventures Limited held on Thursday, September 30, 2010 at 10.00 a.m. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006 or at any adjournment thereof.

Signed this day of2010

Signature of the Share Holder.....

Affix Rs. 1 Revenue Stamp

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

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(Unit : **PVP Ventures Limited**)

Plot No. 17-24, Vittal Rao Nagar,

Madhapur

Hyderabad 500 081

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