



PVP Ventures Limited

**21st Annual Report
2011-12**

21st Annual Report 2011-2012



PVP Ventures Limited 21st Annual Report 2011-12

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Company Information

Board of Directors

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

Company Secretary and Compliance Officer

Mr. Dhiraj Kumar Sinha

Board Committees

Audit Committee

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

Remuneration Committee

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

Shareholders'/Investors'

Grievance Committee

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

Auditors

M/s. CNGSN & Associates
Chartered Accountants, Chennai

Bankers

Union Bank of India
HDFC Bank Limited
Kotak Mahindra Bank Limited

Registered Office

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

Corporate Office

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

Registrars & Transfer Agents

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



Notice

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

1. To consider and adopt the audited Balance Sheet as at March 31, 2012, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N. S. Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. CNGSN & Associates, Chartered Accountants, Chennai as the statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

By order and on behalf of the Board

Dhiraj Kumar Sinha

(General Counsel & Company Secretary)

Chennai, August 10, 2012

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 17, 2012 to Wednesday, September 26, 2012 (both days inclusive).
6. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/RTA and notify the Company's RTA, or the Depository Participants, in case of shares in dematerialized form, immediately of change, if any, in their registered address.
7. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company had transferred the unpaid or unclaimed dividends, for the previous financial years upto 2002-03 to the Investor Education and Protection Fund (IEPF) established by the Central Government. There is no unpaid or unclaimed dividend for the previous years outstanding with the Company.

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8. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
- Change in their Residential status on return to India for permanent settlement.
 - Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
9. The Company has designated an exclusive email ID viz. investorrelations@pvpglobal.com, which would enable the investors/shareholders to post their grievances and monitor its redressal. Any member having any grievances can post the same to this email ID for the quick redressal.
10. Further, in terms of the "Green Initiative in the Corporate Governance" taken by the Ministry of Corporate Affairs ("MCA") vide circular no. 17/2011 dated April 21, 2011 read with circular no. 18/2011 dated April 29, 2011, the Company is sending the Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information for the year ended March 31, 2012 to the shareholders, in electronic form, to the email address provided by them and made available to us by the Depositories. However, the shareholders, who have requested to receive the physical copy of these documents, are being sent the above documents, free of cost.

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

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

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

**Directors' Report**

Dear Shareholders,

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

Consolidated Financial Statements

(₹ in Lac)

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

Review and result of Operations

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

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

are given in Note 22.1 of the Notes to Accounts.

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

Future Plans

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

Dividend

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

Directors

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

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

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

Subsidiaries

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

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

Pursuant to the General Circular No. 2 of 2011 dated February 08, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors have consented for not attaching the balance sheet etc. for the year ended March 31, 2012, of the above subsidiary companies with the balance sheet of the Company for the year ended March 31, 2012. Further, as required by the above circular, the financial data of these subsidiary companies has been furnished along with the statement pursuant to Section 212 of the Companies Act, 1956 forming part of this Annual Report as **Annexure-I**.

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

Management Discussion and Analysis Report

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

Corporate Governance

The Company is committed to maintain the prescribed standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate

Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from M/s. V. Mahesh & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

Auditors' report

The Auditors' Report together with the Audited Accounts for the financial year ended March 31, 2012 read with the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

Auditors

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

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

Consolidated Financial Statements

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

Particulars of employees

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

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

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

Directors' Responsibility Statement



PVP Ventures Limited

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

- (i) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended March 31, 2012 and of the profit of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual

accounts on a going concern basis.

Acknowledgement

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

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

Hyderabad

August 10, 2012

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ANNEXURE - I

Financial information of the subsidiary companies as required by the General Circular No. 2 of 2011 issued by the Ministry of Corporate Affairs, Government of India, forming part of the Directors' Report for the year ended March 31, 2012

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

Abbreviations used:

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

Notes:

- All the above information is as on March 31, 2012.
- All the above investments are in companies other than subsidiary companies.
- Investments made by PVPBV is in M/s. Jagati Publications Private Limited of 15,27,776 (PY-15,27,776) equity shares of ₹ 10 each fully paid @ ₹ 360 per share.
- Investments made by Cuboid is in M/s. Jagati Publications Private Limited of 9,72,222 (PY-9,72,222) equity shares of ₹ 10 each fully paid @ ₹ 360 per share.
- Investments made by PVPBT is in M/s. Jagati Publications Private Limited of 11,38,055 (PY-5,55,555) equity shares of ₹ 10 each fully paid @ ₹ 360 per share and in M/s. Mimosa Enterprises Private Limited of 3,33,333 (PY-3,33,333) equity shares of ₹ 10 each fully paid @ ₹ 300 per share
- Investments made by PEL includes:
 - 10,90,235 (Previous year-10,90,235) equity shares of ₹ 10 each fully paid up of PVP Ventures Limited, the Holding Company @ ₹ 208 per share
 - 4,51,987 (Previous year- 6,85,487) equity shares of ₹ 10 each fully paid up of Picturehouse Media Limited @ ₹ 31.50 per share

August 10, 2012
Hyderabad

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





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

A.	Conservation of Energy			
(a)	Energy conservation measures taken	Your Company uses energy efficient equipments in its offices and other premises. Periodic tests are also conducted on equipments like air conditioners and lighting and necessary steps are being taken to conserve energy.		
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy;	NA		
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	NA		
(d)	Total energy consumption and energy consumption per unit of production	NA		
B.	Technology absorption			
(e)	efforts made in technology absorption as per Form B of the Annexure	NA		
C.	Foreign exchange earnings and outgo			
(f)	activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans	The Company does not have any export as such, as the immoveable properties are incapable of being exported.		
(g)	Total foreign exchange used and earned	(₹ in Lakhs)		
		Particulars	Current year	Previous year
		Foreign exchange earnings	NIL	NIL
		Foreign exchange outgo:		
		Travel related Expenses	0.00	4.35
		Other Expenses (London Stock exchange fee)	10.41	9.18
		Total	10.41	13.53

For and on behalf of the Board of Directors

Prasad V. Potluri

(Chairman and Managing Director)

August 10, 2012

Hyderabad

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Report on Corporate Governance

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

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

Board Composition and the meetings

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

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

During the financial year, Five (5) board meetings were held on May 27, 2011, August 11, 2011, August 25, 2011, November 14, 2011 and February 07, 2012. The maximum interval between any two Board meetings was of 80 days.

Attendance of Directors at Board Meetings for the financial year 2011-2012, and at the AGM and the number of directorships and memberships/ chairmanships of Board Committees as on March 31, 2012 and details of Board meetings are given below:

Name of the Director	DIN	Attendance		No. of Directorships and Committee Memberships/ Chairmanships including those of PVP Ventures Limited		
		Board Meetings*	Last AGM	Other Directorships#	Committee Memberships@	Committee Chairmanships@
Mr. Prasad V. Potluri	00179175	5	Yes	2	1	Nil
Mr. R. Nagarajan	00443963	5	Yes	3	5	3
Mr. N. S. Kumar	00552519	5	Yes	3	4	Nil

* includes meetings attended through tele-conference.

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

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

Board Procedures

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

Code of Conduct for Directors & Senior Management

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

I confirm that the Company has obtained confirmation from all its directors and the designated senior management that they have complied with the provisions of the Code of Conduct, as may be applicable to them, during the financial year 2011-2012.

Prasad V. Potluri

(Chairman & Managing Director)

Hyderabad

August 10, 2012