

ANNUAL REPORT 2016-17



PVP Ventures Limited



CONTENTS

Chairman's Speech 3

Corporate Information 4

Notice 5

Directors Report 8

Management's Discussion and Analysis 12

Corporate Governance Report 15

Standalone Financial Section 37

Consolidated Financial Section 67

Proxy Form 103

Attendance Slip 105

CHAIRMAN'S Message

Dear Shareholders,

We have forayed into Real estate, Retail and the Entertainment industries with a backward integration of each of them from our strong experience from the past- an eclectic mix of opportunities, learning and grand successes. Below is our company's diverse portfolio description in brief.

REAL ESTATE: During the financial year under review, the Company registered a total revenue of Rs. 3,833.64 Lakhs on Standalone basis as compared to the previous year's total revenue of Rs. 2,752.40 Lakhs. Further, total revenue on consolidated basis is Rs. 15,666.88 Lakhs as compared to the previous year's total revenue of Rs. 15,735.68 lakhs. The Standalone PAT (Profit after Tax) stood at Rs. 2,067.38 lakhs as against Rs.155.60 lakhs in the year 2015-16 and the Consolidated PAT stood at Rs. 821.80 lakhs as against Rs. 32.67 lakhs in the previous year.

RETAIL: The Company has forayed into the retail consumer services industry through its wholly owned subsidiary M/s Safetrunk Services Private Limited. The Company is into Safe Deposit Lockers Business under the brand name "SAFETRUNK" with exclusive safe deposit locker offering for retail customers with state of the art security systems, 24x7 operational availability and white glove service standards.

ENTERTAINMENT: The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides, with an expected growth at a CAGR of 14.3 per cent to Rs. 2260 billion by 2020, predicted the KPMG-FICCI Media and Entertainment industry report 2016.

During the last year, the Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitising the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms. PVP Ventures plans to foray into this industry so as to seize the emerging opportunities available in this sector leading to the value addition in the company.

With the expected growth and prospects in the three industries viz; Real Estate, Retail and Entertainment and the Company's diversified business verticals in these industries, with a strategy of targeted growth, PVP Ventures foresee a progressive future and remarkable performance for itself in the years to come.

Best Regards,

Prasad V. Potluri
Chairman & Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prasad V. Potluri – Chairman & Managing Director
Mr. R. Nagarajan – Independent Director
Mr. N.S. Kumar – Independent Director

BOARD COMMITTEES

Audit Committee

Mr. R. Nagarajan – Chairman
Mr. N.S. Kumar
Mr. Prasad V. Potluri

Stakeholders Relationship Committee

Mr. R. Nagarajan – Chairman
Mr. N.S. Kumar
Mr. Prasad V. Potluri

Nomination and Remuneration Committee

Mr. N.S. Kumar – Chairman
Mr. R. Nagarajan

CSR Committee

Mr. R. Nagarajan – Chairman
Mr. N.S. Kumar
Mr. Prasad V. Potluri

KEY MANAGERIAL PERSONNEL

Mr. Prasad V. Potluri – Chairman & Managing Director
Mr. D. Krishnamoorthy – CFO & Company Secretary

STATUTORY AUDITORS

M/s Brahmayya & Co.
Chartered Accountants
No:48, Masilamani Road, Balaji Nagar, Royapettah, Chennai - 600014.

PRINCIPAL BANKERS

Kotak Mahindra Bank Ltd.
Canara Bank

REGISTERED OFFICE

KRM Centre, 9th Floor, Door No. 2
Harrington Road, Chetpet, Chennai - 600031.
T: +91 44 3028 5570 F: +91 44 3028 5571

E: investorrelations@pvpglobal.com

CORPORATE OFFICE

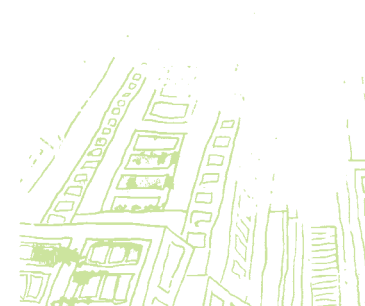
4th Floor, Punnaiah Plaza, Plot No. 83 and 84,
Road No. 02, Banjara Hills, Hyderabad - 500 034.
T: +91 40 6730 9999 F: +91 40 6730 9988

STOCK EXCHANGES WHERE COMPANY'S SECURITIES ARE LISTED

The BSE Limited
The National Stock Exchange of India Ltd.

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Ltd.
C/O Karvy Selenium, Tower B, Plot No. 31 and 32, Financial District,
Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032.
T: +91 40 6716 1591 E: einward.ris@karvy.com



NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of PVP Ventures Limited will be held on Thursday, September 28, 2017 at 10.00 am at Hotel Green Park, Vauhini Hall, No. 183, NSK Salai, Arcot Road, Vadapalani, Chennai 600 026, Tamil Nadu to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) for the financial year ended March 31, 2017 and the Reports of the Board of Directors and the Auditors thereon.
2. To ratify appointment of M/s. Brahmayya & Co. as Statutory Auditors and fix their remuneration and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the 25th Annual General Meeting appointing Brahmayya & Co., Chartered Accountants, (FRN: 000511S) as Statutory Auditors of the Company to hold office until the conclusion of 30th Annual General Meeting of the Company, the Company hereby ratifies and confirms the appointment of M/s. Brahmayya & Co., as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

By order of the Board of Directors

For PVP VENTURES LIMITED

Sd/-

Place: Chennai

Date: August 08, 2017

D. Krishnamoorthy
CFO & Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ['THE MEETING'] IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL ON HIS/HER/ITS BEHALF AND THE PROXY, HOWEVER, NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before commencement of the meeting. A Proxy form for the AGM is enclosed with this Annual Report.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf.
3. Members who hold shares in dematerialized 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, the first joint holder will be entitled to vote in the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2017 to September 28, 2017 (both days inclusive) for the purpose of Annual General Meeting.
6. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notices, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2017 are being sent in electronic form to those Members who have registered their e-mail addresses with their DPs. However, in case, a Member wishes to receive a physical copy of the said documents, such Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to investorrelations@pvpglobal.com for receipt of hard copy. This would enable the Company to update its database by incorporating/ updating the designated e-mail addresses in its records. The Members may also note that the said Reports are also being uploaded on the website of the Company at www.pvpglobal.com.
7. Members are requested to quote their Registered Folio Number, Client ID, Number of shares in all correspondences with the Company/RTA and notify the Company's RTA, or the Depository Participants, the change of registered address, if any.
8. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account 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, if any, by quoting their Registered Folio Number, Client ID, and Number of shares. However, it may be noted that the Company would not respond to any kind of malicious allegations made by the shareholders with ulterior motives.
10. Queries concerning Annual Accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance of the Meeting so that the answers may be made readily available at the meeting.
11. The Annual Report of the Company for the year 2016-17 circulated to the Members of the Company is available on the Company's website, viz. www.pvpglobal.com
12. The Company, pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, is extending e-voting facility for its Members to enable them to cast their vote electronically. Further, the facility for voting, through ballot paper, will also be made available at the AGM. However, the Members attending the AGM who cannot

cast their votes by remote e-voting, can also exercise their right at the AGM through ballot paper. Members who have cast their votes by e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. In this regard, the Company has appointed M/s. D. Hanumanta Raju and Co, Practicing Company Secretaries, Hyderabad, who in the opinion of the Board is a duly qualified person, as a Scrutinizer to oversee the electronic voting process in a fair and transparent manner.

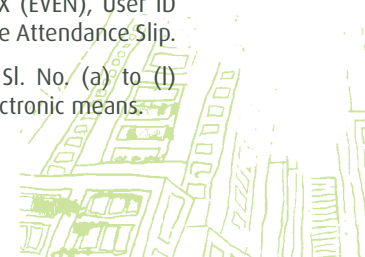
13. The e-voting facility will be available at the link <http://evoting.karvy.com> during the voting period.
14. The login ID and password for e-voting along with process, manner and instructions is being sent to the members along with email/physical copy of the Notice.
15. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of cut-off date i.e., September 21, 2017 may obtain the login ID and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for e-voting, then you can use your existing User ID and password for casting your vote.
16. Members are requested to note that the e-voting will open on September 25, 2017 at 9.00 a.m. and shall remain open for 3 days i.e. up to September 27, 2017 and it shall not be allowed beyond 5 p.m. on September 27, 2017.
17. The procedure and instructions for e-voting are as follows:

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

- (A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:
 - a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - b) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - c) After entering these details appropriately, click on "LOGIN".
 - d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least

one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the "EVENT" i.e., "Name of the Company"
- g) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- h) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email thr300@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
 - a) E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - b) Please follow all steps from Sl. No. (a) to (l) above to cast your vote by electronic means.



- II. Voting at AGM:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact inestorrelations@pvpglobal.com, PVP Ventures Limited or Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The remote e-voting period commences on September 25, 2017 (9.00 A.M. IST) and ends on September 27, 2017 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 21, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date

should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

- The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2017.
- In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 21, 2017, he/she may obtain the User ID and Password in the manner as mentioned below:
 - If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL:
 MYEPWD <SPACE> IN12345612345678
 Example for CDSL:
 MYEPWD <SPACE> 1402345612345678
 Example for Physical:
 MYEPWD <SPACE> XXXX1234567890
 - If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - Member may call Karvy's toll free number 1800-3454-001.
 - Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

ROUTE MAP TO THE VENUE OF THE AGM

Hotel Green Park

'Vauhini Hall' No. 183, NSK Salai, Arcot Road, Vadapalani, Chennai - 600026



DIRECTORS' REPORT

To the Members,

We are pleased to present the report on the business and operations of your Company for the year ended March 31, 2017.

Financial Results

[Rs. In Lakh]

| PARTICULARS | STANDALONE | | CONSOLIDATED | |
|--|------------|----------|--------------|-----------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Total Income | 3833.64 | 2752.40 | 15666.88 | 15735.68 |
| Operational, Administration and Other Expenses | 822.59 | 933.11 | 11098.93 | 11275.97 |
| Profit/(Loss) Before Depreciation Interest And Tax | 3011.05 | 1819.29 | 4567.95 | 4459.71 |
| Depreciation | 59.02 | 54.23 | 111.46 | 115.55 |
| Interest and Finance Charges | 1936.79 | 1960.35 | 4717.46 | 5118.20 |
| Profit / (Loss) Before Exceptional Items | 1015.24 | (195.29) | (260.97) | (774.04) |
| Exceptional Items | - | (350.89) | (102.77) | (1229.08) |
| Profit / (Loss) Before Tax | 1015.24 | 155.60 | (158.20) | 455.04 |
| Tax Expense | (1052.14) | - | (980.00) | 422.37 |
| Profit/ (Loss) after Tax | 2067.38 | 155.60 | 821.80 | 32.67 |

State of the Company's Affairs

During the financial year 2016-17, the Company witnessed Profit both on Standalone and Consolidated basis. The total revenue of the Company for the financial year ended 31 March, 2017 on Standalone basis is Rs. 37.67 crores as compared to the previous year's total revenue of Rs. 18.52 crores. Further, total revenue on consolidated basis is Rs. 155.60 crores as compared to the previous year's total revenue of Rs. 147.95 crores.

The Standalone Profit after tax stood at 20.67 crores as against Profit of Rs. 1.56 crores in 2016. Further, the Consolidated Loss after tax stood at Rs. 8.22 crores as against Profit of Rs. 0.33 crores in 2016.

Dividend

In view of the inadequacy of the profits and in order to conserve the resources of the Company, for future Business operations, the Board of Directors did not recommend any dividend for the financial year ended March 31, 2017.

Transfer to Reserves

In view of the aforesaid reason, the Board of Directors did not propose to transfer any amount to reserves for the period under review.

Capital Structure

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

Particulars of Loans, Guarantees and Investments

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

Debentures

During the year under review, the Company has not issued any Debentures and total debentures outstanding as on the March 31, 2017 is 13,289, 14.5% Redeemable fully convertible Debentures (FCDs) of Rs. 1,00,000 each.

Public Deposits

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

Insurance

All the properties of your Company have been adequately insured.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and erstwhile Listing Agreement and the current Listing Agreement signed with the stock exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://www.pvpglobal.com/pdf/RPTPolicy-PVPL.pdf>. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

During the year under review, no Related Party Transactions or Material Related Party Transaction i.e., transactions, exceeding 10% of the annual consolidated turnover as per the latest audited financial statements, were noticed during the period under review. Accordingly, the disclosure of Related Party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable for the year ended March 31, 2016.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No. 26.14 of the Standalone Financial Statements.

Material changes and commitments affecting financial position between the end of financial year and date of report

During the financial year under review, the company executed "Development Management Agreement"(DMA) on 27.04.2017, to develop the 20 acres land with M/s. Arihant Foundations & Housing Limited.

Subsidiary Companies

The Company along with its subsidiaries is operating in the verticals of Urban Infrastructure, Media and Entertainment and retail customer services. As on March 31, 2017, the Company has 4 wholly-owned subsidiaries viz., PVP Corporate Parks Private Limited, PVP Global Ventures Private Limited, PVP Media Ventures Private Limited, Safetrunk Services Private Limited, besides 2 subsidiaries viz., New Cyberabad City Projects Private Limited, Picturehouse Media Limited and 4 stepdown subsidiaries viz., Adobe Realtors Private Limited, which is a wholly-owned subsidiary of PVP Global Ventures Private Limited and PVP Capital Limited.

PVP Cinema Private Limited and Picturehouse Media Private Limited, Singapore which are wholly-owned subsidiaries of Picturehouse Media Limited. Further, as on March 31, 2017, the company has no Associate Companies.

The consolidated financial statements of the Company including its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013. Further, a statement containing salient features of the financial statements of the subsidiaries in the prescribed format AOC-1 is appended as **Annexure - 1** to the Board's Report. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity.

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

Management Discussion and Analysis Report

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

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 Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 forms part of the Annual Report.

Board of Directors and Key Managerial Personnel

No Director(s) of the Company are being eligible offers themselves for re-appointment.

Mrs. Sai Padma Potluri, Non-executive woman Director of the Company resigned from the Board with effect from March 06, 2017.

Except the resignation of Mrs. Sai Padma Potluri, there was no other change in the Board of Directors during the year.

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

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the criteria which may affect his status as an independent Director, gives a declaration that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The policy on Directors' appointment and remuneration including criteria for determining qualifications positive attributes, independence of director and also remuneration for Key Managerial Personnel and other employees and

Board evaluation process also forms part of Annual Report at **Annexure 2**. The Managing Director doesn't receive any remuneration from any of the Subsidiaries of the Company.

During the year under review, Mr. S. Kannan, CFO has resigned w.e.f 30.09.2016, Mr. Piyush Dwivedi, VP-Corporate Finance & Strategy has resigned w.e.f. 04.11.2016, Mr. PV Krishna Kishore Babu, GM-Legal has resigned w.e.f. 30.11.2016 and Mr. Ravi Kumar Reddy resigned as the Company Secretary of the Company with effect from December 07, 2017. Subsequently the Board in its meeting held on December 14, 2016 appointed Mr. D. Krishnamoorthy as CFO of the Company and further in its meeting held on February 07, 2017 Mr. D. Krishnamoorthy was given additional responsibility as Company Secretary and Compliance officer of the Company.

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

Composition of Board Committees

| Audit Committee | |
|-----------------------|----------|
| Mr. R. Nagarajan | Chairman |
| Mr. N. S. Kumar | Member |
| Mr. Prasad V. Potluri | Member |

| Nomination and Remuneration Committee | |
|---------------------------------------|----------|
| Mr. N. S. Kumar | Chairman |
| Mr. R. Nagarajan | Member |
| *Mrs. P. Sai Padma | Member |

| Stakeholders Relationship Committee | |
|-------------------------------------|----------|
| Mr. R. Nagarajan | Chairman |
| Mr. N. S. Kumar | Member |
| Mr. Prasad V. Potluri | Member |

| Corporate Social Responsibility Committee | |
|---|----------|
| Mr. R. Nagarajan | Chairman |
| Mr. N. S. Kumar | Member |
| Mr. Prasad V. Potluri | Member |

| Executive Committee | |
|-----------------------|----------|
| Mr. Prasad V. Potluri | Chairman |
| *Ms. P. Sai Padma | Member |

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

*Mrs. P. Sai Padma Potluri, Director of the Company resigned with effect from March 06, 2017.

Number of Meetings of the Board

The Board met 5 (Five) times during the financial year and the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was well within the period prescribed under the provisions of the Companies Act, 2013.

Directors' Responsibility Statement

The financial statements of the Company are prepared as per applicable Accounting Standards as prescribed under Section 133 read with Rule 7 of the Companies (Accounts)

Rules, 2014 of the Companies Act, 2013 and other applicable provisions if any of the said act. There are no material departures from prescribed accounting standards. The Directors confirm that:

- (i) In preparation of the annual accounts for the financial year ended March 31, 2017 the applicable accounting standards have been followed;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The directors have prepared the annual accounts on a going concern basis;
- (v) The directors have laid down internal financial controls, which are adequate and are operating effectively; and
- (vi) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate to operate the company effectively.

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

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

Statutory Auditors

M/s Brahmayya & Co., Chartered Accountants, (FRN: 0005115) were appointed as Statutory Auditors of your Company at the 25th Annual General Meeting held on September 27, 2016 for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In this regard, M/s. Brahmayya & Co., Chartered Accountants have submitted their written consent that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

Accordingly, the Board recommended ratification of the appointment of M/s. Brahmayya & Co., Chartered Accountants as the Statutory Auditors of the Company at the this Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Auditors' Report & Directors' Comments on the Qualification made by statutory auditors:

The Auditors' Report for the financial year 2016-17 is a "qualified report" for the standalone financial statements and "Un-qualified report" for the Consolidated financial statements.

Auditors Qualification:

"As stated in Note No: 26.8 to the Standalone Ind AS Financial Statements, in relation to investment in few subsidiary companies net off provision amounting to Rs.56,005.15 Lakhs. Considering the market value of the assets and expected cash flows from the business of these subsidiary companies management considers these investments as good and recoverable and the provision to the extent already made is adequate. However the erosion in the net worth of these subsidiary companies, their dependence on the holding company to continue as a going concern, absence of cash flows, delay in commencement of projects and other related factors indicate the existence of material uncertainty in recoverability of net carrying value of investments. Hence we were unable to determine whether any adjustments to these net carrying amounts are necessary and additional provision for diminution, if any, to be made are not quantifiable at this point of time."

Directors' Comments on the above qualification

In this regard the Board draws the attention of the current status of the North Town Project and the DMA signed for the 20 Acre Parcel, where in the bifurcated plots of various sizes, will bring sufficient revenue in the coming years. Hence, the Board is of the view that considering the market value of the assets and expected cash flows from the business, the provision already made are adequate.

Secretarial Auditor

M/s. D. Hanumanta Raju & Co., Company Secretaries were appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and rules thereunder. The Secretarial Audit Report for the financial year 2016-17 forms part of the Annual Report as Annexure-3 of the Board's Report.

Auditors Qualification:

As on 31st March, 2017, Board of the company does not have a Woman Director. Ms. Sai Padma Potluri, who was acting in the capacity of Non-executive Woman Director, has resigned on 06th March, 2017 which resulted in vacancy of a Woman Director on the Board of the Company.

Further, due to her resignation the constitution of Nomination and remuneration committee is not as per Section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' Comments on the above qualification:

The Board is of the view that the Company is making earnest efforts to appoint a suitable and affordable Woman Director having an adequate industry knowledge and experience, which can be utilised for the growth of the Company.

After the appointment of the Woman Director, the nomination and remuneration committee will be reconstituted to induct the woman director as member of the committee in line with the provisions of the Companies Act, 2013.

Stock Exchange Listing

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited. The Company confirms that it has paid the Annual Listing Fees due to both the Stock Exchanges for the year 2017-18.

