

## Independent Auditor's Report

To the Members of PVP Capital Limited

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of PVP Capital Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the mater described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019 and its Loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We draw attention to the following matters in the Notes to the financial statements

- a) Note No. 19.6 in the financial statements which indicates that the Company's precarious financial condition being unable to meet its financial commitments on its borrowings, continuing default on corporate taxes for last few years and the Company's current liabilities exceeded its current asset as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- b) The Company has a loan book of Rs. 154.97 crores given to various film producers. Provision for Expected Credit Loss to the extent of Rs 92.98 crores has been made. With significant delay in completing the films due to which the Borrower's inability to service the interest and the loan, the Company's going concern could be significantly impacted. We cannot independently assess the current status of the film being made by the borrowers, ability of the borrowers to complete the film with reasonable time, the strength of the undergoing film to be commercially viable and the value of the underlying security as lab rights due to which we are unable to determine whether the provision is adequate or not.





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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion Paragraph section, we have determined that there are no key audit matters to communicate in our audit report.

### **Responsibilities of Management and those charged with Governance for the Financial Statements.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigation which has impact on its financial position in its financial statements.
    - ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B. Sujeet & Co.**  
Chartered Accountants  
Firm's Registration number: 009308S

*Sujeet Kumar*

**B. Sujeet Kumar**  
Proprietor  
Membership number: 209547  
Chennai  
25<sup>th</sup> May, 2019



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the PVP Capital Limited on the financial statements for the year ended 31<sup>st</sup> March 2019, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there no immovable properties requiring the verification of the title deeds of the immovable properties held in the name of the Company.
- (ii) There are no Inventories as at the year end. Therefore, the provisions of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company for the year under audit.
- (iii) In our opinion and according to the information and explanations given to us, the company had given to its Holding Company, a party covered in the register maintained under section 189 of the Act, Rs. 17,61,75,469/- the same is outstanding as at year end. There is no stipulation as regards the period of repayment and the rate of interest. We cannot comment whether the same is prejudicial to the interests of the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made to the extent applicable to the Company, being a Non Banking Finance Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise except the following





Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Due since
Income Tax Act	Return Dues	9,89,31,831/-	April 2014 to March 2017	Due during intervening periods
Income Tax Act	TDS Liabilities	28,46,197/-	April 16 to March, 2017	Due during intervening periods

According to the information and explanations given to us, there are no other undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of any duty or tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has defaulted in repayment to a bank during the year. The amount of default is Rs.140,76,04,676/- and the period of default is from April, 2017.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for the managerial remuneration. Hence para 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

For **B. Sujeet & Co.**

Chartered Accountants

Firm's registration number: 009308S

*Sujeet Kumar*

**B. Sujeet Kumar**

Proprietor

Membership number: 209547

Chennai

25<sup>th</sup> May, 2019





## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of PVP Capital Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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





## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2019:

- a) The Company needs to strength its documentation relating to loan disbursement. The Company should consider taking tangible immovable property as collateral security from the borrowers. Any life risk to the borrower would put the Company into a great risk of default from the borrower.
- b) The Company has only 2 employees during the year and all the operations are being carried out by them in conjunction with the employees of the Holding Company. Hence there is no internal control framework in place in the Company.
- c) The Company has been defaulting in its commitments to bankers, on corporate tax payments, being sluggish on collecting receivables thus signaling a tough liquidity crunch.





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

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide the basis for my / our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does affect our opinion on the financial statements of the Company.

For **B. Sujeet & Co**  
Chartered Accountants  
Firm's Registration Number: 009308S

*Sujeet Kumar*

**B. Sujeet Kumar**  
Proprietor  
Membership Number: 209547

Chennai  
25<sup>th</sup> May, 2019



	Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018
I	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2	2,897	2,897
	(b) Capital work-in-progress		-	-
	(c) Good Will		-	-
	(d) Other Intangible assets		-	-
	(e) Intangible assets under development		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Loans		-	-
	(iv) Other financial assets		-	-
	<b>Total Financial Asset</b>		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Other non current assets		-	-
	<b>Total Non Current Assets</b>		2,897	2,897
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Service concession receivables		-	-
	(i) Loans	3	796,068,771	1,611,925,737
	(ii) Cash and cash equivalents	4	1,437	122,039
	(iii) Other financial assets	5	-	17,274,822
	<b>Total Financial Asset</b>		796,070,208	1,629,322,598
	(c) Current tax assets (Net)		-	-
	(d) Other current assets		-	-
	<b>Total Current Assets</b>		796,070,208	1,629,322,598
(3)	<b>Non current assets classified as held for sale</b>		-	-
	<b>Total Assets</b>		796,073,105	1,629,325,495
II	<b>EQUITY AND LIABILITIES</b>			
A	<b>EQUITY</b>			
	(a) Equity Share Capital	6	250,000,000	250,000,000
	(b) Other Equity		(1,086,487,468)	(215,493,552)
	<b>Total Equity</b>		(836,487,468)	34,506,448
B	<b>LIABILITIES</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	7	-	190,714,307
	(ii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		-	190,714,307
	(b) Provisions	8	56,986	137,731
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		56,986	190,852,038
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	1,114,264,033	1,090,295,505
	(ii) Trade payables	10	206,441	560,852
	(iii) Other financial liabilities	11	407,604,676	209,062,556
	<b>Total Financial Liabilities</b>		1,522,075,150	1,299,918,913
	(b) Other current liabilities	12	5,232,458	6,394,081
	(c) Provisions	13	105,195,980	97,654,014
	(d) Current tax liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		1,632,503,588	1,403,967,008
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-
	<b>Total Equity and Liabilities</b>		796,073,105	1,629,325,495

Summary of Significant Accounting Policies

1

The accompanying notes and other explanatory information are an integral part of the Financial Statements.

As per our Report of even date attached

For M/s B. SUJEET & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 0093085

B.SUJEET KUMAR  
Proprietor  
Membership No. 209547



Place : Chennai  
Date : 25th May, 2019

For and on behalf of the Board of Directors

R. RAMASWAMY  
Director  
DIN: 07737350

R. NAGARAJAN  
Director  
DIN: 00443963

P. BHANU PRAKASH  
Chief Financial Officer

SURABI JAIN  
Company Secretary



PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
Statement of Profit and Loss for the Year ended March 31, 2019

**AMOUNT IN Rs.**

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from Operations	14	17,660,822	81,644,531
II	Other Income		93,720	
III	<b>Total</b>		<b>17,754,542</b>	<b>81,644,531</b>
IV	<b>Expenses</b>			
	Change in inventories of finished goods, work in progress and stock in trade			
	Employee Benefit Expenses	15	1,705,541	1,474,174
	Finance Costs	16	257,517,995	218,654,964
	Depreciation and Amortisation	2	-	-
	Other Operating and General Expenses	17	477,585	1,300,706
	Contingent Provision on Standard Assets / Non Performing Assets		619,893,307	309,946,652
	<b>Total</b>		<b>879,594,428</b>	<b>531,376,496</b>
V	<b>Profit Before Tax and Exception items</b>		<b>(861,839,886)</b>	<b>(449,731,965)</b>
VI	Exceptional Items	18	(174,588)	(47,500)
VII	<b>Profit/ (Loss) Before Tax</b>		<b>(861,665,298)</b>	<b>(449,684,465)</b>
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		9,450,969	22,932,785
	<b>Total</b>		<b>9,450,969</b>	<b>22,932,785</b>
IX	<b>Profit for the year after tax (VII-VIII)</b>		<b>(871,116,267)</b>	<b>(472,617,250)</b>
X	<b>Other Comprehensive income, net of tax</b>			
	<b>Items that will not be reclassified subsequently to profit and loss</b>			
	Remeasurement of defined benefit obligation		122,351	372,148
			122,351	372,148
	<b>Items that will be reclassified subsequently to profit and loss</b>			
	<b>Other Comprehensive income for the year, net of tax</b>		<b>122,351</b>	<b>372,148</b>
	<b>Total Comprehensive Income for the year</b>		<b>(870,993,916)</b>	<b>(472,245,102)</b>
	<b>Earnings Per Share</b>			
	Basic and Diluted - (Rs.)	19	(34.84)	(18.89)
	Face Value per Ordinary share - (Rs.)		10	10

The accompanying notes and other explanatory information are an integral part of the Financial Statements.  
As per our Report of even date attached

For M/s B. SUJEET & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 009308S

*B. Sujeet Kumar*

B.SUJEET KUMAR  
Proprietor  
Membership No. 209547



Place : Chennai  
Date : 25th May, 2019

For and on behalf of the Board of Directors

*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN: 07737350

R. NAGARAJAN  
Director  
DIN: 00443963

*P. Bhanu Prakash*

P BHANU PRAKASH  
Chief Financial Officer

*Surabi Jain*

SURABI JAIN  
Company Secretary

**AMOUNT IN Rs.**

Particulars	31-03-2019 Rs.	31-03-2018 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net/(Loss) Profit before extraordinary items & taxation	(861,665,298)	(449,684,465)
Adjustments for operating activities :		
Depreciation	-	-
Contingent Provision against Standard Assets	619,893,307	309,946,652
Baddebts Written Off	-	-
Interest on Income Tax Provided	-	-
Interest on Refund - Income Tax	(25)	-
Provision for Employee Benefits	(96,244)	229,727
Provision for Dobutfull Advances	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(241,868,260)</b>	<b>(139,508,086)</b>
Adjustments for :		
(Increase)/Decrease Other Financial Assets	17,274,822	(17,274,822)
(Increase)/Decrease in Short Term Loans & Advances	195,963,659	(1,699,741,719)
Increase/(Decrease) in Financial Liabilities	198,639,356	157,738,423
Increase/(Decrease) in Other Liabilities	(1,161,624)	1,172,206
Increase/(Decrease) in Trade Payables	(451,647)	433,925
<b>Cash generated from operations</b>	<b>168,396,306</b>	<b>(1,697,180,073)</b>
<b>Income Tax paid</b>	<b>(1,771,128)</b>	<b>(8,229,669)</b>
Income Tax paid for earlier years		
<b>Net Cash from / (used in) Operating Activities after extraordinary items (A)</b>	<b>166,625,178</b>	<b>(1,705,409,742)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investments in Mutual Fund	-	-
Proceeds from Sale of Fixed Assets including capital advances	-	-
Proceeds from Sale of Current Investment	-	-
Interest received	-	-
<b>Net cash from / (used in) investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	-	-
Inter Corporate Loans received	-	-
Proceeds from the Hoding Company	-	-
(Repayment)/Proceedings from Long Term Borrowings	(166,745,779)	173,454,982
Repayment of Long Term Borrowings	-	-
<b>Net cash from/(used in) financing activities (C)</b>	<b>(166,745,779)</b>	<b>173,454,982</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(120,601)</b>	<b>(1,531,954,760)</b>
Cash and cash equivalents at the beginning of the year	122,039	42,248,794
Cash and cash equivalents of the merged company		
<b>Cash and cash equivalents at the end of the year</b>	<b>1,437</b>	<b>(1,489,705,965)</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	4,001
Balances with Banks		
-On Current Accounts	1,437	118,038
-On Deposit Accounts	-	-
<b>Cash and cash Equivalent (as per Note 3)</b>	<b>1,437</b>	<b>122,039</b>

The accompanying notes form an integral part of the Financial Statements  
As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

*Sujeet Kumar*

**B. SUJEET KUMAR**  
Proprietor  
Membership No. 209547



Place: Chennai  
Date: 25th May 2019

For and on behalf of the Board of Directors

*R. Ramaswamy*

**R. RAMASWAMY**  
Director  
DIN: 07737350

**R. NAGARAJAN**  
Director  
DIN: 00443963

*P. Bhanu Prakash*

**P BHANU PRAKASH**  
Chief Financial Officer

*Surabi Jain*

**SURABI JAIN**  
Company Secretary



**PVP CAPITAL LIMITED**  
Corporate Identification Number: U65191TN1988PLC015481  
Statement of Changes in Equity for the period ended 31st March, 2019

Particulars	Statement of changes in equity							Total Equity attributable to equity holders of the company
	Equity Share Capital	Security Premium Reserve	Reserves & Surplus			Other Comprehensive Income		
			Retained Earnings	Capital Reserve	General Reserve	Statutory reserve	Equity Instruments through other comprehensive Income	
Balance as on 1st April 2017	250,000,000	-	198,794,004	-	6,075,095	51,123,271	759,180	506,751,550
Transferred to General Reserve	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset , net of tax effect	-	-	-	-	-	-	372,148	372,148
Profit for the period	-	-	(472,617,250)	-	-	-	-	(472,617,250)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-
Balance as on 31st March 2018	250,000,000	-	(273,823,246)	-	6,075,095	51,123,271	1,131,328	34,506,449
Transferred to General Reserve	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset , net of tax effect	-	-	-	-	-	-	122,351	122,351
IND AS RS - OCI	-	-	-	-	-	-	-	-
Profit for the period	-	-	(871,116,266.86)	-	-	-	-	(871,116,266.86)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-
Balance as on 31st March 2019	250,000,000	-	(1,144,939,512.77)	-	6,075,095	51,123,271	1,253,679	(836,487,467)

The accompanying notes form an integral part of the financial statements  
As per our report of even date attached.  
For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Chennai  
Date : 25th May, 2019



For and on behalf of Board of Directors

*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN: 07732350

*P. Bhanu Prakash*

P BHANU PRAKASH  
Chief Financial Officer

R. NAGARAJAN  
Director  
DIN: 00443963

*R. Nagarajan*

SURABI JAIN  
Company Secretary

**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

NOTE 1: COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

A. Background: PVP Capital Limited (Corporate Identification Number: U65191TN1988PLC015481) was incorporated in the year 1988. The Company is into Film financing sector. The Company has its place of business in Chennai, India. The Company is a wholly owned subsidiary of M/s. Picturehouse Media Limited.

B. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(A) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

(B) The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

(C) Use of Estimates

The preparation of financial statements in conformity with the Ind AS requires that the management to make estimates, judgements and assumptions. These estimates, judgements, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

1.2 Revenue Recognition:

The Company recognizes income and expenditure on accrual basis except interest on loans which are classified as non-performing assets and are accounted for on realization basis. Interest Income on Loans is accrued over the maturity of the loan where the interest is serviced regularly as per the applicable prudential norms prescribed for NBFCs by RBI to the extent applicable to the Company.

1.3 Cash Flow Statements:

Cash flows are reported using the indirect method, whereby profit is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of nature or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.4 Property, Plant And Equipment:

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:  
Computer and related Assets -3 years Office Equipment's - 5 years Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before each data as disclosed under 'Capital Work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminate from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

1.5 Borrowing Costs:

Borrowing costs are expensed in the year in which it is incurred, except those attributable to acquisition of assets that takes a substantial period to get ready for its intended use, then the borrowing cost incurred on such assets are capitalized to its cost.

1.6 Employee Benefits

a) Leave Encashment

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

b) Defined benefit plan

The Cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving raise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in Net Interest on net defined liability and the return on plan assets (excluding amounts included in net interest on the net defined liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

1.7 Provisions and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made the fact is disclosed.





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

1.8 Provision for Taxation:

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

1.9 Earnings Per Share:

The company reports Basic and Diluted earnings per share in accordance with the Accounting Standards - 33 - 'Earnings per Share'.

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend, if any and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as fraction of an equity share to the extent that they were entitled to participate in dividends related to a fully paid equity share during the reporting year.



PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
PROPERTY, PLANT & EQUIPMENT for the year ended March 31, 2019

Note-2

Amount in Rs

	Computers & Related Assets	Office Equipments	Total
Gross carrying value as of April 1, 2018	36,990	20,949	57,939
Additions	-	-	-
Deletions	-	-	-
Translation difference	-	-	-
Gross carrying value as of March 31, 2019	36,990	20,949	57,939
Accumulated Depreciation as of April 1, 2018	35,140	19,902	55,042
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
Accumulated Depreciation as of March 31, 2019	35,140	19,902	55,042
Carrying value as of March 31, 2019	1,850	1,047	2,897

PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
PROPERTY, PLANT & EQUIPMENT for the year ended March 31, 2018

Note-2

Amount in Rs

	Computers & Related Assets	Office Equipments	Total
Gross carrying value as of April 1, 2017	36,990	20,949	57,939
Additions	-	-	-
Deletions	-	-	-
Translation difference	-	-	-
Gross carrying value as of March 31, 2018	36,990	20,949	57,939
Accumulated Depreciation as of April 1, 2017	35,140	19,902	55,042
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
Accumulated Depreciation as of March 31, 2018	35,140	19,902	55,042
Carrying value as of March 31, 2018	1,850	1,047	2,897





PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
NOTES TO THE ACCOUNTS AS AT 31st MARCH, 2019

**AMOUNT IN Rs.**

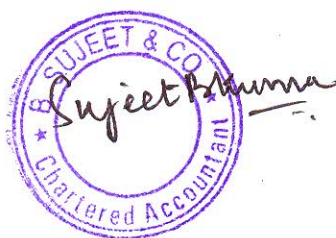
	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
<b>Note-3</b>		
<b>SHORT TERM LOANS AND ADVANCE</b>		
<b>Unsecured - Considered Good</b>		
Advances to Related Party	176,175,469	371,939,128
Loans and advances to employees	-	200,000
<b>Secured - Considered Doubtful</b>		
Loans - Film Finance	1,549,733,261	1,549,733,261
<b>Unsecured - Considered Doubtful</b>		
Loans and advances to Others	1,208,940	1,208,940
Less: Provision for Doubtful advances	(1,208,940)	(1,208,940)
Less: Provision for Film Finance	(929,839,959)	(309,946,652)
	<u>796,068,771</u>	<u>1,611,925,737</u>
<b>Note-4</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balance with banks	1,437	118,038
Cash on hand	-	4,001
(as certified by the Management)		
	<u>1,437</u>	<u>122,039</u>
<b>Note-5</b>		
<b>OTHER FINANCIAL ASSETS</b>		
Interest Accrued and Due on Advances	-	17,274,822
	<u>-</u>	<u>17,274,822</u>
<b>Note-6</b>		
<b>(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>		
<b>Authorised Share Capital</b>		
5,00,00,000 (PY 5,00,00,000) Equity Shares of Rs. 10/- each	500,000,000	500,000,000
<b>Issued, Subscribed and Paid Up</b>		
2,50,00,000 (PY: 2,50,00,000) Equity Shares of Rs. 10/- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
<b>(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:</b>		
Number of equity shares outstanding as at the beginning of the year	25,000,000	25,000,000
Add: Number of Shares allotted during the year	-	-
Less: Number of Shares bought back	-	-
Number of equity shares outstanding as at the end of the year	<u>25,000,000</u>	<u>25,000,000</u>
<b>(C) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates</b>		
Picturehouse Media Limited and its nominees	25,000,000	25,000,000
<b>(D) Shares in the company held by each shareholder holding more than 5%:</b>		
Name of shareholder		<b>No. of shares at the year end</b>
Picturehouse Media Limited and its nominees	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
Name of shareholder		<b>% as at year end</b>
Picturehouse Media Limited and its nominees	100	100
	<u>100</u>	<u>100</u>
<b>(E) Rights, preferences and restrictions attaching to various classes of shares</b>	NIL	NIL
<b>(F) Shares reserved for issue under options and contracts</b>	NIL	NIL
<b>(G) Commitment for sale of shares/ divestment</b>	NIL	NIL
<b>(H) Details of allotment of shares for consideration other than cash, allotment of bonus shares and shares bought back</b>	NIL	NIL
<b>(I) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.</b>		
<b>(J) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment</b>		



PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
NOTES TO THE ACCOUNTS AS AT 31st MARCH, 2019

**AMOUNT IN Rs.**

		As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
Note-7	<b>LONG TERM BORROWING</b>		
	<u>Secured</u>		
	Loan from others * (Including Interest accrued and Due)	-	190,714,307
		-	190,714,307
	The Loan is secured by a charge on the immovable property owned by Mr. Prasad V Potluri		
Note-8	<b>LONG TERM PROVISIONS</b>		
	Employee Benefits	56,986	137,731
		56,986	137,731
Note-9	<b>SHORT TERM BORROWING</b>		
	<u>Secured</u>		
	Loan from Bank*	1,000,000,000	1,000,000,000
	Current Maturities of Long Term Debt	-	6,841,978
	Loan from others **	114,264,033	83,453,527
		1,114,264,033	1,090,295,505
	*The above Loan is secured by a charge on the Loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to Group Companies and personal guarantee of Mr Prasad V Potluri and Smt Jhansi Sureddi.		
	** The above Loan is secured by a second charge on the Loans made to film finance and other related activities, and personally guaranteed by a Director of the company.		
Note-10	<b>TRADE PAYABLE</b>		
	Sundry Creditors for Expenses	206,441	560,852
	Salary Payable	-	97,236
		206,441	658,088
Note-11	<b>OTHER FINANCIAL LIABILITIES</b>		
	Interest Accrued and Due on Borrowings	407,604,676	207,245,823
	Interest Accrued and Not Due on Borrowings	-	1,719,497
		407,604,676	208,965,320
Note-12	<b>OTHER CURRENT LIABILITIES</b>		
	TDS Payable	5,232,458	6,385,081
	Service tax/GST Payable	-	9,000
		5,232,458	6,394,081
Note-13	<b>SHORT TERM PROVISIONS</b>		
	Provision for Income Tax ( Net of TDS / Advance Tax : 17,66,083 ; PY: 2,01,60,853 )	98,931,831	91,252,015
	Employee Benefits	126,545	264,395
	Contingent Provision against Standard Assets (made at 0.36% of the outstanding loans ; Previous year 0.30%)	6,137,604	6,137,604
		105,195,980	97,654,014





## PVP CAPITAL LIMITED

AMOUNT IN Rs.

Corporate Identification Number: U65191TN1988PLC015481

NOTES TO THE STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31st MARCH, 2019

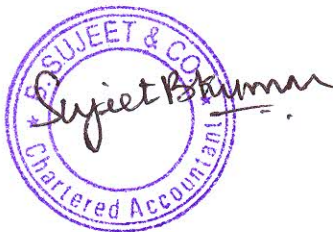
	For the year ended 31-03-19 Rs.	For the year ended 31-03-18 Rs.
<b>Note-14 REVENUE FROM OPERATIONS</b>		
Interest Income from Film Financing Activity	17,660,822	81,644,531
	<u>17,660,822</u>	<u>81,644,531</u>
<b>Note-15 EMPLOYEE COST</b>		
Salaries and allowance	1,705,541	1,445,418
Staff welfare	-	28,756
	<u>1,705,541</u>	<u>1,474,174</u>
<b>Note -16 FINANCE COST</b>		
Interest Expenses	257,347,295	211,824,416
Bank Charges	83,273	6,610,953
Interest on Income tax		
Interest on Service Tax/GST	170	690
Interest on TDS	87,257	218,905
	<u>257,517,995</u>	<u>218,654,964</u>
<b>Note-17 OTHER EXPENSES</b>		
Legal, Professional and consultancy	177,038	586,121
Director's Sitting fee	70,000	83,000
ROC Fees	10,200	22,800
Payment to Auditors		
As Audit Fees	130,000	130,000
Communication expenses		
As certification fees	-	115,000
Rates & Taxes	6,720	214,190
Travelling & Conveyance	2,634	15,662
Other Expenses	80,992	133,933
	<u>477,585</u>	<u>1,300,706</u>
<b>Note-18 EXCEPTIONAL ITEMS</b>		
Excess provisions on Employee benefit written back	174,588	47,500
	<u>174,588</u>	<u>47,500</u>



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

NOTE NO. 19 OTHER ITEMS

- 19.1 The Company has been under the Non deposit (ND) category consequent to the redefining of "systematic significance" for NBFC's ND with asset size less than Rs. 500 crores. Consequent to the redefining of 'systematic significance', the NBFCs-ND with asset size of less than Rs. 500 crore, are exempted from the requirement of maintaining CRAR, complying with Credit Concentration Norms and filing quarterly returns.
- 19.2 The leverage ratio of the Company is -1.83 (P.Y: 52.71) as on 31<sup>st</sup> March, 2019 as against the prescribed maximum of 7 times.
- 19.3 There are no exposures to Real Estate, direct or indirect.
- 19.4 The maturity pattern of Assets and Liabilities is given below
- All the Assets represented by Film Financing are repayable within 1 year and extensions are considered and granted on a case to case basis at the discretion of the management on a need basis after reviewing the progress.
  - The Liabilities represented by Bank Over- draft and from other parties are repayable within one year.
- 19.5 Loans - Film finance' are advanced for financing film production and it is secured against lien on film negative, assignment of rights, personal guarantee of the producers.
- 19.6 As at March 31, 2019, the Company has defaulted on repayment of interest and loans aggregating Rs. 14,076.05 (March 31, 2018 Rs.11,911.15) Lakhs which are payable on demand. Due to the market condition in film industry, the Company's borrowers could not meet their payment obligations. The loans advanced by the Company are classified as substandard and required provision as per Expected Credit Loss method is provided.





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

19.7 Corporate Social Responsibility (CSR) Expenditure

Sl. No.	Particulars	31.03.2019 (In Rs.)	31.03.2018 (In Rs.)
1.	Average Net profits of the Company for last three financial years	(1,30,43,372)	8,46,93,750
2.	CSR Expenditure to be incurred for the current year	-	16,93,875
3.	Unspent amount of the Previous year	59,89,095	42,95,220
4.	Total amount to be spent for the current financial year	59,89,095	59,89,095
5.	Amount spent during the year	-	-
6.	Amount unspent (4-5)	59,89,095	59,89,095

No provision has been made in the books for unspent money on CSR as the Company does not have any contractual obligations for disbursing the said money.

19.8 Earnings per Share

Particulars	Ref	Year ended March 31, 2019	Year ended March 31, 2018
Profit/ (Loss) before Exceptional Items (in Rs.)	A	(86,18,39,886)	(44,97,31,965)
Profit/ (Loss) after Exceptional Items (in Rs.)	B	(86,16,65,298)	(44,96,84,465)
Number of shares outstanding	C	2,50,00,000	2,50,00,000
Earnings per share before Exceptional Items - Basic and Diluted	A/C	(34.47)	(18.89)
Earnings per share after Exceptional Items - Basic and Diluted	B/C	(34.84)	(18.89)

19.9 Related Party Transactions

Name of the Related Parties	Description of relationship
Picturehouse Media Limited	Holding Company
PVP Ventures Limited	Ultimate Holding Company
Mr. P.Bhanu Prakash	Key Management Personnel
N.S. Kumar	Director
R. Nagarajan	Director



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

Summary of transactions with the related parties, during the year ended March 31, 2019 and balances as at the March 31, 2019

Nature of transactions	Transactions for the Year Ended (In Rs.)		Balance outstanding as at (In Rs.)	
	Mar 31, 2019	Mar 31, 2018	Mar 31, 2019	Mar 31, 2018
Unsecured Loans Advanced (Net)				
Picturehouse Media Limited - (Received)/ Paid	(21,30,38,481)	16,70,83,280	17,61,75,469	38,92,13,950
Remuneration paid to KMP				
Mr. Bhanu Prakash	12,24,930	12,25,002	Nil	97,236
Sitting Fees paid				
Mr. N S Kumar	35,000	41,500	NIL	NIL
Mr. Nagarajan	35,000	41,500	NIL	NIL
Corporate Guarantees given by				
Picturehouse Media Limited	NIL	NIL	100,00,00,000	100,00,00,000
PVP Ventures Limited	NIL	NIL	100,00,00,000	100,00,00,000

19.10 Capital Management and Financial Instruments:

A. Capital Management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of equity, long term debt and of short term cash credit.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans.





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio of the Company.

The Company in the financial services business have complied with all regulatory requirements as prescribed by RBI applicable to its present net worth.

(Rs. In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Long Term Debt	-	1,907.14
Short Term Borrowings	11,142.64	10,902.96
Other current financial liabilities	4076.05	2089.65
Cash and Cash Equivalents	(.01)	(1.22)
Current Investments		
Net Debt	15,218.68	14,898.53
Equity Share Capital	2,500.00	2,500.00
Other Equity	(10864.87)	(2,154.94)
Total Equity	(8,364.87)	345.06
Debt Equity Ratio	(1.82)	43.17

A. Financial Risk Management Framework

In the course of its business, the Company is exposed to certain financial risks namely interest risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the risk management policy which has been approved by Board of Directors of the Company.

The credit risk is managed through credit norms established based on historical experience.



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

(a) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates etc. could affect the Company's income or the value of its holdings of financial instruments including cash flow. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

(i) Interest Rate Risk

The Company uses borrowings to manage the liquidity & fund requirements of its day-to-day operations. Further, certain interest bearing liabilities carry variable interest rates.

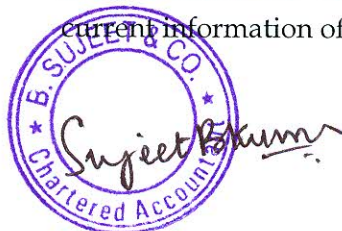
The Company is almost immune to risk of swing in interest rate as the margin between the interest on borrowed capital and the interest on loans and advances given is substantial. Further interest on loans and advances given is fixed irrespective of the interest rates in the market.

(b) Credit Risk Management

Credit Risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored.

(i) Short Term Loans And Advances

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all loans & advances. The Company has computed expected credit losses based on the current information of the borrowers and status of the film production.





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
Notes forming part of the financial statements for the year ended March 31, 2019

Credit Quality of Financial Loans

Financial services business has a comprehensive framework for monitoring credit quality of its film finance based on the status of the film production, repayment by film producers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Maximum Exposure to Credit Risk

The maximum exposure to credit risk of loans and advances is their carrying amount. The maximum exposure is before considering both the effect of mitigation through collateral security.

Narrative Description of Collateral

The nature of collateral security is in the form of personal guarantee of the borrowers. Further this personal guarantee is backed up with the list of immovable properties held by the borrower with the original title deeds.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's management is responsible for liquidity, funding as well as settlement management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of Financial Liabilities:

(Rs. In Lakhs)

Particulars	On demand	Less than 1 year	Total
As at 31 <sup>st</sup> March, 2019			
Borrowings	1,5218.69	Nil	1,5218.69

Particulars	On demand	Less than 1 year	More than 1 year	Total
As at 31 <sup>st</sup> March, 2018				
Borrowings	12,914.39	78.23	1,907.14	14,899.75



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2019**

- 19.11 The "Provision for Income Tax (Net of TDS / Advance Tax)" Grouped under "Short Term Provisions" includes a sum of Rs. 9,89,31,831/- (PY:Rs. 9,12,52,015/-) pertaining to the Income tax due for the earlier years, which remains unpaid till 31<sup>st</sup> March, 2019.
- 19.12 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence the required disclosures such as amounts unpaid as at the year-end together with interest paid/ payable as required under the said Act have not been given.
- 19.13 Explanatory notes 1 to 19 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per our report of even date.

For M/s. B. Sujeet & Co  
Chartered Accountants  
Firm Reg.No. 009308S



B. SUJEET KUMAR  
(Proprietor)  
Membership No. 209547



Place: Chennai  
Date: 25<sup>th</sup> May, 2019

For and on behalf of the Board of Directors



R. RAMASWAMY  
Director  
DIN: 07737350



P. BHANU PRAKASH  
Chief Financial Officer



R.NAGARAJAN  
Director  
DIN: 00443963

SURABI JAIN  
Company Secretary