

## 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<br>Mar 31, 2019 | As at<br>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<br>March 31, 2019 | Year ended<br>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<br>Rs.    | 31-03-2018<br>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           | Reserves & Surplus       |                    |                 | Other Comprehensive Income |                   | Total Equity attributable to equity holders of the company |  |   |
|   |                                | Security Premium Reserve | 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.



