

**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 2022, 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, the aforesaid financial statements give the information required by the Companies Act, 2013 as amended ('the Act') in the manner so required and 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 2022 and its Loss, including other comprehensive income, 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.16.6 in the financial statements which indicates that the Company has not adhered to the repayment schedule for the principal and interest dues to the Bank, consequent to which the Bank has filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act, 2002). Further the Bank has taken over symbolic possession of the immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee. The outstanding amount is Rs. 238.56cr as per the books of account as at 31<sup>st</sup> March, 2022.
- b) The company proposed to the bank for OTS and the same is accepted and agreed by the bank letter dated 15<sup>th</sup> March 2022 giving option for one time settlement (OTS) as full and final for Rs. 95.00 cr. Out of which the company had already made payment Rs.9.00 cr and the balance OTS amount Rs.86.00 cr should be payable on or before 14<sup>th</sup> September 2022.

- c) Further the Company is currently pursuing the realization of dues to the Company and created provisions for unrealizable amounts. Apart from this the Company is not carrying any business activity. The regulatory authority may cancel the registration to carry the principal business activity as a Non-Banking Finance Company due to non-maintenance of minimum net owned fund of Rs. 2 crores as stated in the said note to the financial statement. The Company's inability to meet its financial statements, non-payment of statutory dues and in absence of visible cash flows, doubts are cast on the ability of the Company to continue as a going concern to achieve its future business plans. Taking into consideration the pending legal outcomes of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it is appropriate to treat the Company as a going concern. However based on the management's assertions the Company's financial statements have been prepared on the basis of going concern and the impact, if any, if it were to be treated as a going concern, is not ascertainable at this stage.

We conducted our audit of the financial statements 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 opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined that the following are the key audit matters to communicate in our audit report.

#### 1. Evaluation of uncertain tax positions

The Company has material uncertain tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.



Refer Note no. 16.12 to the financial statements.

#### Auditor`s Response

We have gone through the management`s assumptions to determine the possible outcome of these disputes.

#### Information Other than Financial Statements and Auditor`s Report thereon

The Company`s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board`s Report including Annexures to Board`s Report and Shareholder`s information, but does not include the financial statements and our auditor`s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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.

In preparing the financial statements, the Management of Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern



basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timings of the audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We decide these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 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 have pending litigation against its borrowers against whom the Company has already made an expected credit loss of Rs. 21.99 crores on the advances of Rs. 25.53 crores.



- 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 ASKM & Co.

Chartered Accountants

Firm's Registration number: 012799S



**GANGADHAR. ANNA**

Partner

Membership number: 224029

Hyderabad

20-May-2022

UDIN: 22224029AJJQDX7674



## 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 2022, 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. Due to ongoing pandemic, fair value measurement of the land and the building held as Investment Property could not be carried by an external valuer. However, based on the Company's internal assessment of the fair value, the above value was arrived at.  
(c) According to the information and explanations given to us, The Company does not have any intangible assets. Accordingly, the clause 3(i) of the Order is not applicable to the Company.  
(d) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.
  
- (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.

The Company has not been sanctioned any working capital limits from banks or financial institutions

- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, LLPs or firms or other parties covered under covered in the register maintained under section 189 of the Act.

During the year the company had made loan to its Holding company PHML of Rs. 3.18 cr and total Loans closing balance is Rs.20.93cr.

- (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 (inRs.)	Period to which the amount Relates	Due since
Income Tax Act	Return Dues	10,69,86,592/-	April 2014 to March 2017	Due during intervening periods
Income Tax Act	TDS Liabilities	45,39,151/-	April 16 to March, 2020 onwards	Due during intervening periods
IGST Act	IGST on sale of Rights	1,44,00,000/-	Jan, 2022 to March, 2022	Due during intervening periods
TDS		27,000/-	Dec, 2022 to March, 2022	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 2022 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 except income tax demand of Rs. 42,28,715/- for the financial year 2017-18. Refer Note No. 16.12.
- (viii) During the year, no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) The Company has defaulted in repayment principal and interest to a bank. During this year the company proposed to the bank for OTS and the same is accepted and agreed by the bank letter dated 15<sup>th</sup> March 2022 giving option for one time settlement (OTS) as full and final for Rs. 95.00 cr. Out of which the company had already made payment Rs.9.00 cr and the balance OTS amount Rs.86.00 cr should be payable on or before 14<sup>th</sup> September 2022.



Nature of borrowing	Name of the lender	Amount Provisional (Principal & Interest) Outstanding as per Books on 31.03.2022	Amount payable as per OTS on 31.03.2022	Remarks
Term Loan	Canara Bank, Hyderabad	Rs.238.56 Cr	Rs. 86.00 Cr	Company is in the process of Close the Loan Before 14 <sup>th</sup> September 2022.

- (x) 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.
- (xi) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.  
No report has been filed with the Central Government by the auditors.  
There were no whistle blower complaints received by the Company.
- (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 is not mandated to have internal audit system. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (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.  
The Company has not conducted any Non Banking Financial or Housing Finance Activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act.



- (xvii) The company has not incurred cash losses in the financials years.
- (xviii) The present auditors were appointed in last AGM and there were no statutory auditor's resignation during the year.
- (xix) On the basis financials ratios, the management plans for closure of bank loan through OTS and accompanying the financial statements, our knowledge except the opinion expressed in above auditor's report we are of the opinion that material uncertainty does not exists on the date of the audit report that the Company is incapable of meetings its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date during the year.
- (xx) During this year company spent 60.00 lakhs as CSR as per provisions of the act.
- (xxi) Since the Company does not have subsidiaries the paragraph 3(xx) of the said Order is not applicable.

For ASKM & Co.

Chartered Accountants

Firm's registration number: 012799S



GANGADHAR ANNA

Partner

Membership number: 224029

Hyderabad

20-May-2022



## **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 2022 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.

### **Qualified 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, 2022:

- a) The Company needs to strengthen 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 3 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.

- d) The Company has filed just two legal suits for recovery of its advances given. Considering the duration for which the advances given are due, the Company should be steadfast to file more suits for recovery.

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, 2022.

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 **ASKM & Co**  
Chartered Accountants  
Firm's Registration Number: 012799S

  
**GANGADHAR ANNA**  
Partner

Membership Number: 224029

Hyderabad

20<sup>th</sup> May, 2022

UDIN: 22224029AJJQDX7674



**PVP CAPITAL LIMITED**  
Corporate Identification Number: U65191TN1988PLC015481  
Balance Sheet as at Mar 31, 2022

	Particulars	Note No.	As at Mar 31, 2022	As at Mar 31, 2021
<b>I</b>	<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	3	10,378,668	10,436,571
	<b>Total Non Current Assets</b>		10,381,565	10,439,468
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables	4	14,400,000	13,452
	(iii) Cash and cash equivalents		13,452	-
	(iv) Bank balance other than (iii) above		90,000,000	-
	(v) Loans	5	278,437,824	326,671,533
	<b>Total Financial Asset</b>		382,851,276	326,684,985
	(c) Current tax assets (Net)		-	-
	(d) Other current assets		69,300	-
	<b>Total Current Assets</b>		387,920,576	326,684,985
(3)	<b>Non current assets classified as held for sale</b>		-	-
	<b>Total Assets</b>		393,302,141	337,124,452
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	6	250,000,000	250,000,000
	(b) Other Equity		(2,556,073,656)	(2,163,225,015)
	<b>Total Equity</b>		(2,306,073,656)	(1,913,225,015)
<b>B</b>	<b>LIABILITIES</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		-	-
	(b) Provisions		-	-
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		-	-
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	7	1,180,699,607	1,130,669,215
	(ii) Trade payables	8	732,141	624,032
	(iii) Other financial liabilities	9	1,385,830,372	1,001,266,789
	<b>Total Financial Liabilities</b>		2,567,262,121	2,132,560,036
	(b) Other current liabilities	10	18,972,145	4,647,901
	(c) Provisions	11	113,141,530	113,141,530
	(d) Current tax liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		2,699,375,796	2,250,349,467
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-
	<b>Total Equity and Liabilities</b>		393,302,141	337,124,452
	Summary of Significant Accounting Policies integral part of the Financial Statements.	1		

As per our Report of even date attached  
For M/s ASKM & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 012799S

**GANGADHAR ANNA**  
Partner  
Membership No. 224029

Place : Chennai  
Date : 20-05-2022  
UDIN: 22224029AJJQDX7674



For and on behalf of the Board of Directors

**N.S. Kumar**  
Director

**A Praveen Kumar**  
Director

**C.S. Narasimhan**  
Chief Financial Officer

**PVP CAPITAL LIMITED**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Statement of Profit and Loss for the Year Ended Mar 31, 2022**

	Particulars	Note No.	Year ended Mar 31, 2022	Year ended March 31, 2021
I	Revenue from Operations		-	-
II	Other Income		80,000,000	-
III	<b>Total</b>		<b>80,000,000</b>	<b>-</b>
IV	<b>Expenses</b>			
	Change in inventories of finished goods, work in progress and stock in trade	12	80,000,000	-
	Employee Benefit Expenses	13	1,750,419	847,894
	Finance Costs	14	384,419,122	320,828,180
	Depreciation and Amortisation	2 & 3	57,904	58,318
	Other Operating and General Expenses	15	6,621,196	879,039
	Contingent Provision on Standard Assets / Non Performing Assets		-	149,158,892
	<b>Total</b>		<b>472,848,641</b>	<b>471,772,323</b>
V	<b>Profit Before Tax and Exception items</b>		<b>(392,848,641)</b>	<b>(471,772,323)</b>
VI	Exceptional Items			
VII	<b>Profit/ (Loss) Before Tax</b>		<b>(392,848,641)</b>	<b>(471,772,323)</b>
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Tax relating to earlier years		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
IX	<b>Profit for the year after tax (VII-VIII)</b>		<b>(392,848,641)</b>	<b>(471,772,323)</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		-	(132,866)
	<b>Items that will be reclassified subsequently to profit and loss</b>			
	Other Comprehensive income for the year, net of tax		-	(132,866)
	<b>Total Comprehensive Income for the year</b>		<b>(392,848,641)</b>	<b>(471,639,457)</b>
	<b>Earnings Per Share</b>			
	Basic and Diluted - (Rs.)		(15.71)	(18.87)
	Face Value per Ordinary share - (Rs.)		10	10

of the Financial Statements.  
As per our Report of even date attached

For M/s ASKM & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 012799S

*A. Praveen Kumar*  
**GANGADHAR, ANNA**  
Partner  
Membership No. 224029



Place : Chennai  
Date : 20-05-2022  
UDIN: 2224029AJJQDX7674

For and on behalf of the Board of Directors

*N.S. Kumar*  
**N.S. Kumar**  
Director

*A. Praveen Kumar*  
**A Praveen Kumar**  
Director

*C.S.N. Prasad*  
**C.S.N. Prasad**  
Chief Financial Officer



**PVP CAPITAL LIMITED**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Cash Flow Statement for the Year Ended Mar 31, 2022**

Particulars	31-03-2022 Rs.	31-03-2021 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net/(Loss) Profit before extraordinary items &amp; taxation</b>	(392,848,641)	(471,772,323)
<b>Adjustments for operating activities :</b>		
Depreciation	57,904	58,318
Provision for Doubtful advances	-	149,158,892
Interest Expense	384,419,122	320,828,180
Provision for Employee Benefits	-	(99,022)
<b>Operating Profit before Working Capital Changes</b>	<b>(8,371,615)</b>	<b>(1,825,955)</b>
<b>Adjustments for :</b>		
(Increase)/Decrease Other Financial/current Assets	(69,300)	-
(Increase)/Decrease in Short Term Loans & Advances		1,482,091
Increase/(Decrease) in Financial Liabilities		
(Increase)/Decrease in Trade receivable	(14,400,000)	
Increase/(Decrease) in Long Term Provisions	-	
Increase/(Decrease) in Other Liabilities	4,324,244	120,231
Increase/(Decrease) in Trade Payables	108,110	161,541
Increase/(Decrease) in Short Term Provisions	144,461	
<b>Cash generated from operations</b>	<b>(18,264,100)</b>	<b>(62,092)</b>
Income Tax paid	-	-
Income Tax paid for earlier years		
<b>Net Cash from/ (used in) Operating Activities after extraordinary items (A)</b>	<b>(18,264,100)</b>	<b>(62,092)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investments in Mutual Fund	-	-
Investment in Fixed Asset	-	-
Proceeds from Sale of Fixed Asset	-	-
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 Holding Company	(31,766,292)	
Proceedings from Short Term Borrowings	50,030,392	62,092
Interest Paid		
<b>Net cash from/(used in) financing activities (C)</b>	<b>18,264,100</b>	<b>62,092</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>2</b>	<b>(0)</b>
Cash and cash equivalents at the beginning of the year	13,452	13,452
<b>Cash and cash equivalents at the end of the year</b>	<b>13,454</b>	<b>13,452</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	-
Balances with Banks		
-On Current Accounts	13,452	13,452
-On Deposit Accounts	-	-
<b>Cash and cash Equivalent (as per Note 3)</b>	<b>13,452</b>	<b>13,452</b>

Reconciliation between the opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities:  
As per our report of even date attached.

For M/s ASKM & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 012799S

GANGADHAR. ANNA  
Partner  
Membership No. 224029



For and on behalf of the Board of Directors

*(Signature)*  
N.S. Kumar  
Director

*(Signature)*  
A Praveen Kumar  
Director

*(Signature)*  
C.S.N. Prasad  
Chief Financial Officer

Place: Chennai  
Date : 20-05-2022  
UDIN: 22224029AJJQDX7674

Note-6 Amount in Rs.

Particulars	Reserves & Surplus					Other Comprehensive Income		Total Equity attributable to equity holders of the company	
	Equity Share Capital	Security Premium Reserve	Retained Earnings	Capital Reserve	General Reserve	Statutory reserve	equity instruments through other comprehensive income		Other Items of Other Comprehensive Income
Balance as on 31st March 2019	250,000,000	-	(1,144,939,513)	-	6,075,095	51,123,271	-	1,233,679	(836,487,467)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-
IND AS RS - OCI	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	(605,046,545)	-	-	-	-	(51,544)	(605,046,545)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as on 31st Mar 2020	250,000,000	-	(1,749,986,058)	-	6,075,095	51,123,271	-	1,202,135	(1,441,585,556)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-
IND AS RS - OCI	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	(471,772,323)	-	-	-	-	-	(471,772,323)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as on 31st Mar 2021	250,000,000	-	(2,221,758,381)	-	6,075,095	51,123,271	-	1,385,001	(1,913,225,013)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	-	-	-	-
IND AS RS - OCI	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	(392,848,641)	-	-	-	-	-	(392,848,641)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as on 31st Mar 2022	250,000,000	-	(2,614,607,022)	-	6,075,095	51,123,271	-	1,335,001	(2,306,073,654)

The accompanying notes form an integral part of the financial statements  
 As per our report of even date attached.  
 For M/s ASKM & CO  
 CHARTERED ACCOUNTANTS  
 Firm Reg No: 0127995

*A. Bangyal*

GANGADHAR ANNA  
 Partner  
 Membership No. 224029

Place: Chennai  
 Date: 20-05-2022  
 UDIN: 22220299AHODX7974



For and on behalf of Board of Directors

*N.S. Kumar*  
 N.S. Kumar  
 Director

*A. Praveen Kumar*  
 A. Praveen Kumar  
 Director

*C.S.N. Prasad*  
 C.S.N. Prasad  
 Chief Financial Officer



PVP CAPITAL LIMITED  
 Corporate Identification Number: U65191TTN1988PLC015481  
 PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED MARCH 31, 2022

Note-2 Amount in Rs

	Computers & Related Assets	Office Equipments	Total
Gross carrying value as of March 31, 2019	36,990	20,949	57,939
Additions	-	-	-
Deletions	-	-	-
Translation difference	-	-	-
Gross carrying value as of March 31, 2020	36,990	20,949	57,939
Additions	-	-	-
Deletions	-	-	-
Translation difference	-	-	-
Gross carrying value as of Dec 31, 2020	36,990	20,949	57,939
Accumulated Depreciation as of March 31, 2019	35,140	19,902	55,042
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
Accumulated Depreciation as of March 31, 2020	35,140	19,902	55,042
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
Accumulated Depreciation as of Mar 31, 2021	35,140	19,902	55,042
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
Accumulated Depreciation as of Mar 31, 2022	35,140	19,902	55,042
Carrying value as of Mar 31, 2021	1,850	1,047	2,897
Carrying value as of March 31, 2020	1,850	1,047	2,897



**PVP CAPITAL LIMITED**  
 Corporate Identification Number: U65191TN1988PLC015481  
**NON CURRENT ASSETS - INVESTMENT PROPERTY FOR THE YEAR ENDED MAR 31, 2022**

Note-3

Amount in Rs

	Land	Building	Total
<b>Gross carrying value as of March 31, 2019</b>	-	-	-
Additions	8,923,235	3,598,000	12,521,235
Deletions	(2,000,000)	-	(2,000,000)
Translation difference	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	6,923,235	3,598,000	10,521,235
Additions	-	-	-
Deletions	-	-	-
Translation difference	-	-	-
<b>Gross carrying value as of March 31, 2021</b>	6,923,235	3,598,000	10,521,235
<b>Accumulated Depreciation as of March 31, 2019</b>	-	26,346	26,346
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
<b>Accumulated Depreciation as of March 31, 2020</b>	-	26,346	26,346
Depreciation	-	58,318	58,318
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
<b>Accumulated Depreciation as of Mar 31, 2021</b>	-	84,664	84,664
Depreciation	-	57,904	57,904
Accumulated depreciation on deletions	-	-	-
Translation difference	-	-	-
<b>Accumulated Depreciation as of Mar 31, 2022</b>	-	142,568	142,568
Carrying value as of Mar 31, 2021	6,923,235	3,513,336	10,436,571
Carrying value as of March 31, 2020	6,923,235	3,571,654	10,494,889



**PVP CAPITAL LIMITED**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**NOTES TO THE ACCOUNTS AS AT 31st Mar, 2022**

	As at 31-03-2022 Rs.	As at 31-03-2021 Rs.
<b>Note-4 CASH AND CASH EQUIVALENTS</b>		
Balance with banks	13,452	13,452
Cash on hand	-	-
(as certified by the Management)	<u>13,452</u>	<u>13,452</u>
<b>Note-5 SHORT TERM LOANS AND ADVANCE</b>		
<b>Secured - Considered Doubtful</b>		
Loans - Film Finance	1,458,104,381	1,538,104,381
<b>Unsecured - Considered Good</b>		
Advances to Related Party	209,278,946	177,512,655
<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	(1,388,945,503)	(1,388,945,503)
	<u>278,437,824</u>	<u>326,671,533</u>
<b>Note-6 (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</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 period 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</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



**PVP CAPITAL LIMITED**  
Corporate Identification Number: U65191TN1988PLC015481  
**NOTES TO THE ACCOUNTS AS AT 31st Mar, 2022**

	As at 31-03-2022 Rs.	As at 31-03-2021 Rs.
(H) Details of allotment of shares for consideration other than cash, allotment of bonus shares and shares bought back	NIL	NIL
(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.		
(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 of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.		

**Note-7 SHORT TERM BORROWING**

**Secured**

Loan from Bank*	1,00,00,00,000	1,00,00,00,000
Current Maturities of Long Term Debt	-	-
Loan from others **	18,06,99,607	13,06,69,215
	1,18,06,99,607	1,13,06,69,215

\*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

\*\* 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-8 TRADE PAYABLE**

Sundry Creditors for Expenses	7,32,141	6,24,032
	7,32,141	6,24,032

**Note-9 OTHER FINANCIAL LIABILITIES**

Salary Payable	1,44,461	-
Interest Accrued and Due on Borrowings	1,38,56,85,911	1,00,12,66,789
Interest Accrued and Not Due on Borrowings	-	-
	1,38,58,30,372	1,00,12,66,789

**Note-10 OTHER CURRENT LIABILITIES**

TDS Payable	45,66,151	45,54,151
Service tax/GST Payable / Professional Tax	1,44,05,994	93,750
	1,89,72,145	46,47,901

**Note-11 SHORT TERM PROVISIONS**

Provision for Income Tax ( Net of TDS / Advance Tax : 17,6	10,69,86,592	10,69,86,592
Employee Benefits	17,334	17,334
Contingent Provision against Standard Assets	61,37,604	61,37,604
	11,31,41,530	11,31,41,530



**PVP CAPITAL LIMITED**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes To The Statement of Profit & Loss For Year Ended 31st Mar, 2022**

	For the year ended 31 Mar 2022 Rs.	For the year ended 31 Mar 2021 Rs.
<b>Note-12 Changes in Inventory</b>		
Opening Balance	-	-
Add: Inventory Written off during the year	80,000,000	-
<b>Sub-total</b>	<u>80,000,000</u>	<u>-</u>
Less: Closing Film Production Expenses	-	-
	<u>80,000,000</u>	<u>-</u>
<b>Note-13 EMPLOYEE COST</b>		
Salaries and allowance	1,727,330	926,916
Staff welfare	23,089	20,000
Other Allowance	-	(99,022)
	<u>1,750,419</u>	<u>847,894</u>
<b>Note -14 FINANCE COST</b>		
Interest Expenses	384,419,122	320,828,180
	<u>384,419,122</u>	<u>320,828,180</u>
<b>Note-15 OTHER EXPENSES</b>		
Legal, Professional and consultancy	443,300	636,500
Director's Sitting fee		
ROC Fees	19,200	10,700
Payment to Auditors		
As Audit Fees	100,000	100,000
As certification fees	-	-
Rates & Taxes	13,029	7,382
Travelling & Conveyance	-	-
CSR Payable	6,000,000	-
Other Expenses	45,667	124,457
	<u>6,621,196</u>	<u>879,039</u>



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2022**

**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. Picture house 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.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101. - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note No. 11.

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 judgments and assumptions. These estimates, judgments, and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the





**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2022**

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.

**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 Financial Instruments**

**Initial Recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**Subsequent Measurement**

**(i) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it held within a business model which objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further in cases where the



**PVP Capital Limited**

**Corporate Identification Number: U65191TN1988PLC015481**

**Notes forming part of the financial statements for the year ended March 31, 2022**

Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**(iii) Financial assets at fair value through profit or loss**

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss.

**(iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized costs using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**Fair Value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

**1.4 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.

**1.5 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



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2022**

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 eliminating 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.

**1.6 Investment Property:**

Properties which are held for capital appreciation or to earn rental income are termed as Investment Property. Investment Property 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 Investment Property over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Buildings - 60 years.

**1.7 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.

**1.8 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.



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2022**

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.

Re measurements, 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.

Re measurements 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.

1.9 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.

1.10 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.



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1.11 Earnings Per Share:

The company reports its 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.

**NOTE NO. 16 OTHER ITEMS**

- 16.1 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.

Promoters' share holding:

Shares held by the promoter at the end of the year			% change during the year
Promoter Name	No. of shares	% of total shares	
Picture House Media Ltd	2,50,00,000	100	Nil

- 16.2 The leverage ratio of the Company is-1.06 (P.Y:-1.25) as on 31<sup>st</sup> March, 2022 as against the prescribed maximum of 7 times.

- 16.3 There are no exposures to Real Estate, direct or indirect.

- 16.4 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.



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- The Liabilities represented by Bank Over- draft and from other parties are repayable within one year.

16.5 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.

16.6 As at March 31, 2022, the Company has created provision for repayment of interest and loans principal aggregating Rs.23,856.86 (March 31, 2021 Rs. 20,012.67) 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. s

**16.7 Corporate Social Responsibility (CSR) Expenditure**

Sl. No.	Particulars	31.03.2022 (In Rs.)	31.03.2021 (In Rs.)
1.	Average Net profits of the Company for last three financial years	NA	NA
2.	CSR Expenditure to be incurred for the current year		-
3.	Unspent amount of the Previous year		59,89,095
4.	Total amount to be spent for the current financial year		59,89,095
5.	Amount spent during the year	60,00,000	-
6.	Amount unspent (4-5)		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.

**16.8 Earnings per Share**

Particulars	Ref	Year ended March 31, 2022	Year ended March 31, 2021
Profit/ (Loss) before Exceptional Items (in Rs.)	A	(39,28,48,641)	(47,17,72,323)
Profit/ (Loss) after Exceptional Items (in Rs.)	B	(39,28,48,641)	(47,17,72,323)
Number of shares outstanding	C	2,50,00,000	2,50,00,000
Earnings per share before Exceptional Items - Basic and Diluted	A/C	(15.71)	(18.87)



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Earnings per share after Exceptional Items - Basic and Diluted	B/C	(15.71)	(18.87)
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**16.9 Related Party Transactions**

Name of the Related Parties	Description of relationship
Picturehouse Media Limited	Holding Company
PVP Ventures Limited	Ultimate Holding Company
Dakshin realtors Private Limited	Key Management Personnel directorship
Mr. P.Bhanu Prakash	Key Management Personnel (upto 20 <sup>th</sup> August, 2019)
Mr. Challa Siva Prasad Naga	Key Management Personnel (wef 25 <sup>th</sup> September, 2019)
N.S. Kumar	Director
R. Nagarajan	Director (upto 25 <sup>th</sup> September, 2019)
A.Praveen Kumar	Director (wef 25 <sup>th</sup> September, 2019)

**Summary of transactions with the related parties, during the year ended March 31, 2022 and balances as at the March 31, 2022**

Nature of transactions	Transactions for the Year Ended (In Rs.)		Balance outstanding as at (In Rs.)	
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022	Mar 31, 2021
<b>Unsecured Loans Advanced (Net)</b>				
Picturehouse Media Limited - (Received)/ Paid	3,17,66,292	14,82,091	20,92,78,946	17,75,12,655
Loans to parties taken over earlier returned				
<b>Remuneration paid to KMP</b>				
Mr. Bhanu Prakash	Nil	Nil	Nil	Nil
Mr. Challa Siva Prasad Naga	5,88,587	5,04,900		
<b>Corporate Guarantees given by</b>				
PVP Ventures Limited	NIL	NIL	100,00,00,000	100,00,00,000



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16.10 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.

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 has complied with all regulatory requirements as prescribed by RBI applicable to its present net worth.

**Financial assets and liabilities**

(Rs. In lakhs)

Financial Assets Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Cash and Cash Equivalents	0.13	0.13
Other Current Assets	1044.69	0.00
<b>Financial Liabilities</b>		
Equity Share Capital	2,500.00	2,500.00
Other Equity	(25560.73)	(21632.25)
Total Equity	(23060.73)	(19132.25)
Short Term Borrowings	11807.00	11306.07
Other financial liabilities	13858.30	10012.67
Other current Liabilities	197.04	52.72

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.





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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.

(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.

Credit Quality of Financial Loans



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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
<b>As at 31<sup>st</sup> March, 2022</b>			
Borrowings	25,665.30	Nil	25,665.30

Particulars	On demand	Less than 1 year	Total
<b>As at 31<sup>st</sup> March, 2021</b>			
Borrowings	2,1319.38	Nil	2,1319.38



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- 16.11 The "Provision for Income Tax (Net of TDS / Advance Tax)" Grouped under "Short Term Provisions" includes a sum of Rs. 10,69,86,592/- (PY:Rs. 10,69,86,592/- ) pertaining to the Income tax due for the earlier years, which remains unpaid till 31<sup>st</sup> March, 2022.
- 16.12 The Income Tax Department has raised a demand of Rs. 42.28 lakhs for the financial year 2017-18 u/s 143(3) of the Income Tax Act after completing the scrutiny proceedings for the year. No provision has been made yet in the books of account as the Company is in the process of filing an appeal with the Appellate Authority. The Management is of the opinion that the Company has a fair chance to win the appeal.
- 16.13 The fair value of the land and the building held as Investment Property is Rs.1,04,36,571 as at 31<sup>st</sup> March, 2022. Due to ongoing pandemic, fair value measurement could not be carried by an external valuer. However, based on the Company's internal assessment of the fair value, the above value was arrived at.
- 16.14 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.

**16.15 Trade Payables Ageing Schedule**

Particulars	Outstanding for following periods where due date of payments is not specified				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others	1,08,108	1,61,543	2,56,049	2,06,440	7,32,139
(iii) Disputed Dues - MSME					
(iv) Disputed Dues - Others					

**16.16 Financial Ratios**

The following are the analytical ratios for the year ended March 31, 2022 and March 31, 2021



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Particulars	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Current Ratio	Current Assets	Current Liabilities	0.14	0.15
Debt Equity Ratio	Debt	Equity	-1.17	-1.18
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	-0.17%	-0.25%


16.17 The company is in the process of settlement of canara bank loan through OTS for Rs. 95 cr. Out of which the company has paid first installment of Rs 9.00 cr which is shown as bank balance other than cash and bank under current assets.

16.18 Explanatory notes 1 to 16 forms 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. ASKM & Co  
Chartered Accountants  
Firm Reg. No. 012799S


For and on behalf of the Board of Directors

  
GANGADHAR ANNA  
(Partner)  
Membership No. 224029

  
N.S. KUMAR  
Director

  
A PRAVEENKUMAR  
Director



  
C.S.N. PRASAD  
Chief Financial Officer

Place: Chennai

Date: 20<sup>th</sup> - May - 2022

UDIN: 22224029AJJQDX7674