

## 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 2020, 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 2020 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.18.6 in the financial statements which indicates that the company has not adhered to repayment schedule for principal and interest dues to its bank, consequent to which the bank filed for recovery of its dues before the Debt Recovery Tribunal (DRT) and also initiated recovery proceedings against the company under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002). Further, the bank has taken symbolic possession of immovable property and issued sale notice for e-auction of the property given by the ultimate holding company as corporate guarantee but there were no bidders and consequently the e-auction sale proceedings has become in fruituous. The outstanding amount is Rs.16,787.91 lakhs as per books of accounts as on 31<sup>st</sup> March, 2020.

Further, the company is currently pursuing the realization of dues to the company and settlement of existing lenders, other than this the company has not been carrying any business activity, the regulatory authorities 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.200 lakhs as stated in said note to the financial statements, the company's ability to meet its financial obligations, non payment of statutory dues and in the absence of visible cash flows, doubts are cast on its ability to continue as a going concern to achieve its future business plans. Taking into consideration, pending ultimate outcome of the legal proceedings as well as liquidity constraints, we are unable to express our view whether it would be appropriate to treat the company as going concern. However based on the management assertions the company's financial statements have been prepared on the basis of going concern, the impact if any, if the company was to be treated as not a going concern is not ascertainable at this stage.*

b) *In relation to loans for film production amounting to Rs.15,381.04 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management has assessed the recoverability of the loan amount and accordingly made a provision amounting to Rs.12,397.87 lakhs as adequate, no additional provision is necessary in this regard. However, Management is not able to provide us the status of production of films and recoverability of the whole amount. Accordingly, we are unable to express our view, whether any adjustments to the carrying value, if any required, 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 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.



## **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, 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 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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  
Hyderabad  
29<sup>th</sup> July, 2020



## 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 2020, 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) In our opinion and according to the information and explanations given to us, the title deeds of the immovable properties are 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. 17,89,94,746/- 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	10,69,86,592/-	April 2014 to March 2017	Due during intervening periods
Income Tax Act	TDS Liabilities	61,72,275/-	April 16 to March, 2017 onwards	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 2020 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

Hyderabad

29<sup>th</sup> July, 2020



## 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 2020 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.

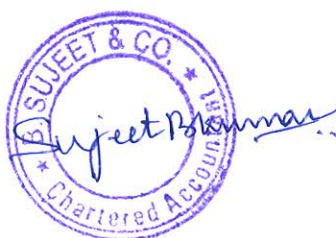
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2020:

- 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, 2020.

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  
Hyderabad  
29<sup>th</sup> July, 2020



PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
Balance Sheet as at Mar 31, 2020

	Particulars	Note No.	As at Mar 31, 2020	As at Mar 31, 2019
I	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2	1,04,97,786	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		-	-
	Total Financial Asset		-	-
	(c) Deferred tax assets (net)		-	-
	(d) Other non current assets		-	-
	<b>Total Non Current Assets</b>		<b>1,04,97,786</b>	<b>2,897</b>
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Service concession receivables		-	-
	(i) Loans	3	47,73,12,516	79,60,68,771
	(ii) Cash and cash equivalents	4	13,452	1,437
	(iii) Other financial assets	5	-	-
	Total Financial Asset		47,73,25,968	79,60,70,208
	(c) Current tax assets (Net)		-	-
	(d) Other current assets		-	-
	<b>Total Current Assets</b>		<b>47,73,25,968</b>	<b>79,60,70,208</b>
(3)	<b>Non current assets classified as held for sale</b>		-	-
	<b>Total Assets</b>		<b>48,78,23,755</b>	<b>79,60,73,105</b>
II	<b>EQUITY AND LIABILITIES</b>			
A	<b>EQUITY</b>			
	(a) Equity Share Capital	6	25,00,00,000	25,00,00,000
	(b) Other Equity		(1,69,15,85,558)	(1,08,64,87,468)
	Total Equity		(1,44,15,85,558)	(83,64,87,468)
B	<b>LIABILITIES</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Other financial liabilities		-	-
	Total Financial Liabilities		-	-
	(b) Provisions	7	1,22,378	56,986
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		<b>1,22,378</b>	<b>56,986</b>
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	8	1,13,06,07,123	1,11,42,64,033
	(ii) Trade payables	9	4,62,491	2,06,441
	(iii) Other financial liabilities	10	67,87,91,304	40,76,04,676
	Total Financial Liabilities		1,80,98,60,919	1,52,20,75,150
	(b) Other current liabilities	11	61,74,975	52,32,458
	(c) Provisions	12	11,32,51,040	10,51,95,980
	(d) Current tax liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		<b>1,92,92,86,934</b>	<b>1,63,25,03,588</b>
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-
	<b>Total Equity and Liabilities</b>		<b>48,78,23,755</b>	<b>79,60,73,105</b>

Summary of Significant Accounting Policies  
integral part of the Financial Statements.

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As per our Report of even date attached  
For M/s B. SUJEET & CO  
CHARTERED ACCOUNTANTS  
Firm Reg No: 009308S

*Sujeet Kumar*

B.SUJEET KUMAR  
Proprietor  
Membership No. 209547



Place: Chennai  
Date: 29th July, 2020

For and on behalf of the Board of Directors

*N.S. Kumar*

N.S. Kumar  
Director

*Ramaswamy*

Ramaswamy  
Director

*C.S.N. Prasad*

C.S.N. Prasad  
Chief Financial Officer

PVP CAPITAL LIMITED

Corporate Identification Number: U65191TN1988PLC015481

Statement of Profit and Loss for the Year Ended Mar 31, 2020

	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	13	-	1,76,60,822
II	Other Income		-	93,720
III	<b>Total</b>		-	<b>1,77,54,542</b>
IV	<b>Expenses</b>			
	Change in inventories of finished goods, work in progress and stock in trade			
	Employee Benefit Expenses	14	8,88,609	17,05,541
	Finance Costs	15	28,57,05,467	25,75,17,995
	Depreciation and Amortisation	2	26,346	-
	Other Operating and General Expenses	16	4,24,710	4,77,585
	Contingent Provision on Standard Assets / Non Performing Assets		30,99,46,652	61,98,93,307
	<b>Total</b>		<b>59,69,91,784</b>	<b>87,95,94,428</b>
V	<b>Profit Before Tax and Exception items</b>		<b>(59,69,91,784)</b>	<b>(86,18,39,886)</b>
VI	Exceptional Items	17	-	(1,74,588)
VII	<b>Profit/ (Loss) Before Tax</b>		<b>(59,69,91,784)</b>	<b>(86,16,65,298)</b>
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		80,54,761	94,50,969
	<b>Total</b>		<b>80,54,761</b>	<b>94,50,969</b>
IX	<b>Profit for the year after tax (VII-VIII)</b>		<b>(60,50,46,545)</b>	<b>(87,11,16,267)</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		51,544	(1,22,351)
			51,544	(1,22,351)
	<b>Items that will be reclassified subsequently to profit and loss</b>			
	<b>Other Comprehensive income for the year, net of tax</b>		<b>51,544</b>	<b>(1,22,351)</b>
	<b>Total Comprehensive Income for the year</b>		<b>(60,50,98,089)</b>	<b>(87,09,93,916)</b>
	<b>Earnings Per Share</b>			
	Basic and Diluted - (Rs.)	18	(24.20)	(34.84)
	Face Value per Ordinary share - (Rs.)		10	10

of the Financial Statements.

As per our Report of even date attached

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

*Sujeet Kumar*

B.SUJEET KUMAR  
Proprietor  
Membership No. 209547



Place : Chennai  
Date : 29th July, 2020

For and on behalf of the Board of Directors

*N.S. Kumar*

N.S. Kumar  
Director

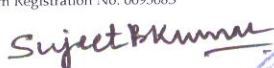
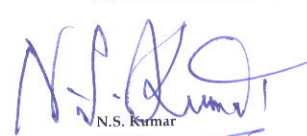


*Ramaswamy*

Ramaswamy  
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 March 31, 2020

Particulars	31-03-2020 Rs.	31-03-2019 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net/(Loss) Profit before extraordinary items & taxation	(59,69,91,784)	(86,16,65,298)
Adjustments for operating activities :		
Depreciation	26,346	-
Contingent Provision against Standard Assets	30,99,46,652	61,98,93,307
Baddebts Written Off	-	-
Interest on Income Tax Provided	-	(25)
Interest on Refund - Income Tax	-	-
Interest Expense	28,57,05,467	-
Provision for Employee Benefits	14,147	(96,244)
Provision for Dobutfull Advances	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(12,99,172)</b>	<b>(24,18,68,260)</b>
Adjustments for :		
(Increase)/ Decrease Other Financial Assets	-	1,72,74,822
(Increase)/ Decrease in Short Term Loans & Advances	(36,11,633)	19,59,63,659
Increase/(Decrease) in Financial Liabilities	-	19,86,39,356
Increase/(Decrease) in Other Liabilities	9,42,517	(11,61,624)
Increase/(Decrease) in Trade Payables	2,56,050	(4,51,647)
<b>Cash generated from operations</b>	<b>(37,12,237)</b>	<b>16,83,96,306</b>
Income Tax paid	-	(17,71,128)
Income Tax paid for earlier years	-	-
<b>Net Cash from / (used in) Operating Activities after extraordinary items (A)</b>	<b>(37,12,237)</b>	<b>16,66,25,178</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Investments in Mutual Fund	-	-
Investment in Fixed Asset	(1,00,000)	-
Proceeds from Sale of Fixed Asset	20,00,000	-
Interest received	-	-
<b>Net cash from / (used in) investing activities (B)</b>	<b>19,00,000</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	-	-
Proceedings from Short Term Borrowings	1,63,43,090	-
Interest Paid	(1,45,18,839)	(16,67,45,779)
<b>Net cash from/(used in) financing activities (C)</b>	<b>18,24,251</b>	<b>(16,67,45,779)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>12,014</b>	<b>(1,20,601)</b>
Cash and cash equivalents at the beginning of the year	1,437	1,22,039
Cash and cash equivalents of the merged company	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>13,452</b>	<b>1,437</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	-	-
Balances with Banks	-	-
-On Current Accounts	13,452	1,437
-On Deposit Accounts	-	-
<b>Cash and cash Equivalent (as per Note 3)</b>	<b>13,452</b>	<b>1,437</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		
 <b>B. SUJEET KUMAR</b> Proprietor Membership No. 209547	For and on behalf of the Board of Directors	
	 N.S. Kumar Director	 Ramaswamy Director
Place: Chennai Date: 29th July, 2020	 C.S.N. Prasad Chief Financial Officer	

PVP CAPITAL LIMITED  
Corporate Identification Number: U65191TN1988PLC015481  
PROPERTY, PLANT & EQUIPMENT for the year ended March 31, 2020

Amount in Rs

	Land	Building	Computers & Related Assets	Office Equipments	Total
Gross carrying value as of April 1, 2018	-	-	36,990	20,949	57,939
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Translation difference	-	-	-	-	-
Gross carrying value as of March 31, 2019	-	-	36,990	20,949	57,939
Additions	89,23,235	35,98,000	-	-	1,25,21,235
Deletions	(20,00,000)	-	-	-	(20,00,000)
Translation difference	-	-	-	-	-
Gross carrying value as of March 31, 2020	69,23,235	35,98,000	36,990	20,949	1,05,79,174
Accumulated Depreciation as of April 1, 2018	-	-	35,140	19,902	55,042
Depreciation	-	-	-	-	-
Accumulated depreciation on deletions	-	-	-	-	-
Translation difference	-	-	-	-	-
Accumulated Depreciation as of March 31, 2019	-	-	35,140	19,902	55,042
Depreciation	-	26,346	-	-	26,346
Accumulated depreciation on deletions	-	-	-	-	-
Translation difference	-	-	-	-	-
Accumulated Depreciation as of March 31, 2020	-	26,346	35,140	19,902	81,388
Carrying value as of March 31, 2019	-	-	1,850	1,047	2,897
Carrying value as of March 31, 2020	69,23,235	35,71,654	1,850	1,047	1,04,97,786



Sujat Bkumar



Amount in Rs.

Particulars	Statement of changes in equity							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 Comprehensive Income
Balance as on 1st April 2018	25,00,00,000	-	(27,38,23,246)	-	60,75,095	5,11,23,271	-	11,31,328	3,45,06,449
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	1,22,351	1,22,351
IND AS RS - OCI	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(87,11,16,266.86)	-	-	-	-	-	(87,11,16,266.86)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2019	25,00,00,000	-	(1,14,49,39,513)	-	60,75,095	5,11,23,271	-	12,53,679	(83,64,87,467)
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-
IND AS RS - OCI	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	(60,50,46,545.32)	-	-	-	-	-	(60,50,46,545.32)
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	-
Balance as on 31st Mar 2020	25,00,00,000	-	(1,74,99,86,058)	-	60,75,095	5,11,23,271	-	12,02,135	(1,44,15,85,557)

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. 009308S



*Sujeet Pokumar*

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

Place: Chennai  
 Date: 29th July, 2020

For and on behalf of Board of Directors

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

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

*Ramaswamy*  
 Ramaswamy  
 Director

**PVP CAPITAL LIMITED**  
Corporate Identification Number: U65191TN1988PLC015481  
**NOTES TO THE ACCOUNTS AS AT 31st Mar, 2020**

	As at 31-03-2020 Rs.	As at 31-03-2019 Rs.
<b>Note-3</b>	<b>SHORT TERM LOANS AND ADVANCE</b>	
	<b>Secured - Considered Good</b>	
Loans - Film Finance	1,53,81,04,381	1,54,97,33,261
	<b>Unsecured - Considered Good</b>	
Advances to Related Party	17,89,94,746	17,61,75,469
Loans and advances to employees	-	-
	<b>Unsecured - Considered Doubtful</b>	
Loans and advances to Others	12,08,940	12,08,940
Less: Provision for Doubtful advances	(12,08,940)	(12,08,940)
Less: Provision for Film Finance	(1,23,97,86,611)	(92,98,39,959)
	<b>47,73,12,516</b>	<b>79,60,68,771</b>
<b>Note-4</b>	<b>CASH AND CASH EQUIVALENTS</b>	
Balance with banks	13,452	1,437
Cash on hand (as certified by the Management)	-	-
	<b>13,452</b>	<b>1,437</b>
<b>Note-5</b>	<b>OTHER FINANCIAL ASSETS</b>	
Interest Accrued and Due on Advances	-	-
Advances for Others	-	-
	-	-
<b>Note-6</b>	<b>(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>	
<b>Authorised Share Capital</b>		
5,00,00,000(PY 5,00,00,000 )Equity Shares of Rs. 10/- each	50,00,00,000	50,00,00,000
<b>Issued, Subscribed and Paid Up</b>		
2,50,00,000 (PY: 2,50,00,000) Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
<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	2,50,00,000	2,50,00,000
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	2,50,00,000	2,50,00,000
<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	2,50,00,000	2,50,00,000
<b>(D) Shares in the company held by each shareholder holding more than 5%:</b>		
Name of shareholder		<b>end</b>
Picturehouse Media Limited and its nominees	2,50,00,000	2,50,00,000
	2,50,00,000	2,50,00,000
Name of shareholder		<b>% as at year end</b>
Picturehouse Media Limited and its nominees	100	100
	100	100

*Sujeet Pokharna*



**PVP CAPITAL LIMITED**  
Corporate Identification Number: U65191TN1988PLC015481  
**NOTES TO THE ACCOUNTS AS AT 31st Mar, 2020**

	As at 31-03-2020 Rs.	As at 31-03-2019 Rs.
(E) Rights, preferences and restrictions attaching to various	NIL	NIL
(F) Shares reserved for issue under options and contracts	NIL	NIL
(G) Commitment for sale of shares/ divestment	NIL	NIL
(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 liabilities.		
<b>Note-7 LONG TERM PROVISIONS</b>		
Employee Benefits	1,22,378	56,986
	<b>1,22,378</b>	<b>56,986</b>
<b>Note-8 SHORT TERM BORROWING</b>		
<u>Secured</u>		
Loan from Bank*	1,00,00,00,000	1,00,00,00,000
Current Maturities of Long Term Debt	-	-
Loan from others **	13,06,07,123	11,42,64,033
	<b>1,13,06,07,123</b>	<b>1,11,42,64,033</b>
*The above Loan is secured by a charge on the Loans made to film finance and other related activities, apart from the collateral securities on the properties belonging to Group Companies and personal guarantee of Mr Prasad V Potluri and Smt Jhansi		
** 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.		
<b>Note-9 TRADE PAYABLE</b>		
Sundry Creditors for Expenses	4,62,491	2,06,441
	<b>4,62,491</b>	<b>2,06,441</b>
<b>Note-10 OTHER FINANCIAL LIABILITIES</b>		
Salary Payable	-	-
Interest Accrued and Due on Borrowings	67,87,91,304	40,76,04,676
Interest Accrued and Not Due on Borrowings	-	-
	<b>67,87,91,304</b>	<b>40,76,04,676</b>
<b>Note-11 OTHER CURRENT LIABILITIES</b>		
TDS Payable	61,72,275	52,32,458
Service tax/GST Payable / Professional Tax	2,700	-
	<b>61,74,975</b>	<b>52,32,458</b>
<b>Note-12 SHORT TERM PROVISIONS</b>		
Provision for Income Tax ( Net of TDS / Advance Tax : 17.6%)	10,69,86,592	9,89,31,831
Employee Benefits	1,26,844	1,26,545
Contingent Provision against Standard Assets (made at 0.36% of the outstanding loans ; Previous year 0.30%)	61,37,604	61,37,604
	<b>11,32,51,040</b>	<b>10,51,95,980</b>

*Sujeet Kumar*



PVP CAPITAL LIMITED

Corporate Identification Number: U65191TN1988PLC015481

Notes To The Statement Of Profit & Loss For Year Ended 31st Mar, 2020

	For the year ended 31 Mar 2020 Rs.	For the year ended 31 Mar 2019 Rs.
<b>Note-13 REVENUE FROM OPERATIONS</b>		
Interest Income from Film Financing Activity	-	1,76,60,822
	<u>-</u>	<u>1,76,60,822</u>
<b>Note-14 EMPLOYEE COST</b>		
Salaries and allowance	8,88,609	1705541
Staff welfare	-	-
Other Allowance	-	-
	<u>8,88,609</u>	<u>17,05,541</u>
<b>Note -15 FINANCE COST</b>		
Interest Expenses	28,57,05,467	25,73,47,295
Bank Charges	-	83,273
Interest on Income tax	-	170
Interest on Service Tax/GST	-	87,257
Interest on TDS	-	-
	<u>28,57,05,467</u>	<u>25,75,17,995</u>
<b>Note-16 OTHER EXPENSES</b>		
Legal, Professional and consultancy	1,11,089	1,77,038
Director's Sitting fee	-	70,000
ROC Fees	14,656	10,200
Payment to Auditors		
As Audit Fees	1,65,400	1,30,000
Communication expenses		
As certification fees	-	-
Rates & Taxes	34,862	6,720
Travelling & Conveyance	-	2,634
Other Expenses	98,703	80,992
	<u>4,24,710</u>	<u>4,77,585</u>
<b>Note-17 EXCEPTIONAL ITEMS</b>		
Excess provisions on Employee benefit written back	-	1,74,588
	<u>-</u>	<u>1,74,588</u>

*Sujeet Kumar*



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

**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.

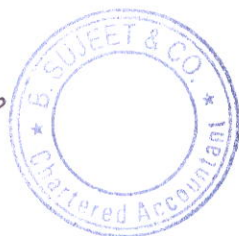
Accounting Policies have been consistently applied except where a newly accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(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.

*Sujeet Pokumma*



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

1.2 Revenue Recognition:

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


1.3 Cash Flow Statements:

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

1.4 Property, Plant And Equipment:

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

*Sujeet Pokharna*



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

1.5 Borrowing Costs:

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

1.6 Employee Benefits

a) Leave Encashment

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

b) Defined benefit plan

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

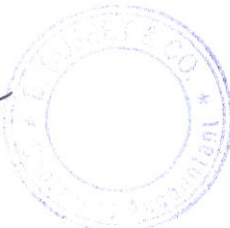
Remeasurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in Net Interest on net defined liability and the return on plan assets (excluding amounts included in net interest on the net defined liability), are recognized immediately in the balance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

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

1.7 Provisions and Contingencies:

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

*Sujeet Pokumma*



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

1.8 Provision for Taxation:

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

1.9 Earnings Per Share:

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

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

*Sujeet Kumar*



A circular blue ink stamp of a Chartered Accountant. The outer ring contains the text 'SUJEET & CO.' at the top and 'Chartered Accountants' at the bottom, separated by two small stars. The center of the stamp is blank.



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

**NOTE NO. 18 OTHER ITEMS**

- 18.1 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.
- 18.2 The leverage ratio of the Company is -1.25 (P.Y: -1.83) as on 31<sup>st</sup> March, 2020 as against the prescribed maximum of 7 times.
- 18.3 There are no exposures to Real Estate, direct or indirect.
- 18.4 The maturity pattern of Assets and Liabilities is given below
- All the Assets represented by Film Financing are repayable within 1 year and extensions are considered and granted on a case to case basis at the discretion of the management on a need basis after reviewing the progress.
  - The Liabilities represented by Bank Over- draft and from other parties are repayable within one year.
- 18.5 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.
- 18.6 As at March 31, 2020, the Company has defaulted on repayment of interest and loans aggregating Rs. 16,787.91 (March 31, 2019 Rs.14,076.05) 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.

*Sujeet Bkuma*



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

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

Sl. No.	Particulars	31.03.2020 (In Rs.)	31.03.2019 (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	59,89,095
4.	Total amount to be spent for the current financial year	59,89,095	59,89,095
5.	Amount spent during the year	-	-
6.	Amount unspent (4-5)	59,89,095	59,89,095

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

**18.8 Earnings per Share**

Particulars	Ref	Year ended March 31, 2020	Year ended March 31, 2019
Profit/ (Loss) before Exceptional Items (in Rs.)	A	(60,50,46,545)	(87,12,90,855)
Profit/ (Loss) after Exceptional Items (in Rs.)	B	(60,50,46,545)	(87,11,16,267)
Number of shares outstanding	C	2,50,00,000	2,50,00,000
Earnings per share before Exceptional Items - Basic and Diluted	A/C	(24.20)	(34.84)
Earnings per share after Exceptional Items - Basic and Diluted	B/C	(24.20)	(34.85)

**18.9 Related Party Transactions**

Name of the Related Parties	Description of relationship
Picturehouse Media Limited	Holding Company
PVP Ventures Limited	Ultimate Holding Company
Mr. P. Bhanu Prakash	Key Management Personnel (upto 20 <sup>th</sup> August, 2019)
Mr. Challa Siva Prasad Naga	Key Management Personnel (wef 20 <sup>th</sup> August, 2019)

*Sujeet Pokumma*  


**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

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, 2020 and balances as at the March 31, 2020


Nature of transactions	Transactions for the Year Ended (In Rs.)		Balance outstanding as at (In Rs.)	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Unsecured Loans Advanced (Net)				
Picturehouse Media Limited - (Received)/ Paid	28,19,277	(21,30,38,481)	17,89,94,746	17,61,75,469
Remuneration paid to KMP				
Mr. Bhanu Prakash	4,08,332	12,24,930	Nil	Nil
Mr. Challa Siva Prasad Naga	3,72,636			
Sitting Fees paid				
Mr. N S Kumar	Nil	35,000	NIL	NIL
Mr. Nagarajan	Nil	35,000	NIL	NIL
Corporate Guarantees given by				
PVP Ventures Limited	NIL	NIL	100,00,00,000	100,00,00,000

18.10 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.

*Sujeet Pokhman*  


**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
Notes forming part of the financial statements for the year ended March 31, 2020

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

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

(Rs. In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Long Term Debt	-	-
Short Term Borrowings	11306.07	11,142.64
Other current financial liabilities	6787.91	4076.05
Cash and Cash Equivalents	(0.13)	(.01)
Current Investments		
Net Debt	18093.85	15,218.68
Equity Share Capital	2,500.00	2,500.00
Other Equity	(16915.85)	(10864.87)
Total Equity	(14,415.85)	(8,364.87)
Debt Equity Ratio	(1.25)	(1.82)

A. Financial Risk Management Framework

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

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

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


**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

(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.

*Sujeet Pokhman*  
  


**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

Credit Quality of Financial Loans

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

Maximum Exposure to Credit Risk

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

Narrative Description of Collateral

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

(c) Liquidity Risk

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

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

(Rs. In Lakhs)

Particulars	On demand	Less than 1 year	Total
As at 31 <sup>st</sup> March, 2020			
Borrowings	1,8093.98	Nil	1,8093.98

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

*Sujit Kumar*  



**PVP Capital Limited**  
**Corporate Identification Number: U65191TN1988PLC015481**  
**Notes forming part of the financial statements for the year ended March 31, 2020**

- 18.11 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. 9,89,31,831/-) pertaining to the Income tax due for the earlier years, which remains unpaid till 31<sup>st</sup> March, 2020.
- 18.12 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence the required disclosures such as amounts unpaid as at the year-end together with interest paid/ payable as required under the said Act have not been given.
- 18.13 Explanatory notes 1 to 18 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.


As per our report of even date.


For M/s. B. Sujeet & Co  
Chartered Accountants  
Firm Reg.No. 0093085


For and on behalf of the Board of Directors

  
B. SUJEET KUMAR  
(Proprietor)  
Membership No. 209547



  
N.S. KUMAR  
Director

  
RAMASWAMY  
Director

  
C.S.N. PRASAD  
Chief Financial Officer

Place: Chennai  
Date: 29<sup>th</sup> July, 2020