

PVP Ventures Limited  
 Registered Office: Door No. 2, 9th Floor, KRM Centre, Harrington Road, Chetpet, Chennai-600031  
 Web: www.pvpglobal.com  
 Unaudited Financial Results for the Quarter and Nine months ended December 31, 2019  
 CIN:L72300TN199PLC020122

Statement of Standalone Unaudited Financial Results for the Quarter and Nine months ended December 31, 2019							Rs. in lakhs
PARTICULARS	Standalone						
	Quarter ended			Nine Months ended		Year ended	
	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019	
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
<b>1 Income</b>							
Revenue from operations	612.55	940.82	818.35	2,299.12	2,198.16	3,045.29	
Other Income	5.96	5.95	3.50	17.80	3.57	35.19	
<b>Total Income (1)</b>	<b>618.51</b>	<b>946.77</b>	<b>821.85</b>	<b>2,316.92</b>	<b>2,201.73</b>	<b>3,080.48</b>	
<b>2 Expenses</b>							
(a) Cost of film production expenses	-	-	-	-	-	-	
(b) Purchases of Stock-in-Trade	-	-	-	-	-	-	
(c) Changes in inventories of finished goods work-in-progress	31.68	51.27	47.88	119.71	122.64	144.18	
(d) Employee benefit expenses	35.55	39.04	38.57	112.15	121.56	171.62	
(e) Finance Cost	732.75	727.32	356.32	2,183.99	1,692.28	2,486.12	
(f) Depreciation and amortization expenses	21.59	21.95	13.56	65.38	43.66	55.39	
(g) Others expenses	135.79	227.85	133.30	466.47	382.44	794.79	
<b>Total Expenses (2)</b>	<b>957.36</b>	<b>1,067.43</b>	<b>589.63</b>	<b>2,947.70</b>	<b>2,362.58</b>	<b>3,652.10</b>	
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(338.85)</b>	<b>(120.66)</b>	<b>232.22</b>	<b>(630.78)</b>	<b>(160.85)</b>	<b>(571.62)</b>	
<b>4 Exceptional items</b>	-	-	(725.00)	-	(725.00)	(725.00)	
<b>5 Profit before tax (3-4)</b>	<b>(338.85)</b>	<b>(120.66)</b>	<b>957.22</b>	<b>(630.78)</b>	<b>564.15</b>	<b>153.38</b>	
<b>6 Tax expense</b>							
a) Current Tax	-	-	-	-	-	-	
b) Deferred Tax	-	-	-	-	-	-	
c) Income tax for earlier years	-	-	-	-	-	-	
<b>7 Net Profit for the period/year (5-6)</b>	<b>(338.85)</b>	<b>(120.66)</b>	<b>957.22</b>	<b>(630.78)</b>	<b>564.15</b>	<b>153.38</b>	
<b>8 Other Comprehensive Income</b>							
a) (i) Items that will not be reclassified subsequently to profit and loss							
Remeasurement of defined benefit obligation	-	-	-	-	-	5.84	
Less : Income tax expense	-	-	-	-	-	-	
<b>Total Other Comprehensive Income (8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.84</b>	
<b>9 Total Comprehensive Income (7+8)</b>	<b>(338.85)</b>	<b>(120.66)</b>	<b>957.22</b>	<b>(630.78)</b>	<b>564.15</b>	<b>159.22</b>	
<b>10 Paid-up equity share capital (Face Value of Re. 10/- each)</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	
<b>11 Other Equity</b>						36,497.56	
<b>12 Earnings per share</b>							
(a) Basic (in Rs.)	(0.14)	(0.05)	0.39	(0.26)	0.23	0.06	
(b) Diluted (in Rs.)	(0.14)	(0.05)	0.39	(0.26)	0.23	0.06	



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PARTICULARS	Consolidated						
	Quarter ended			Nine Months ended		Year ended	
	31.12.2019 Unaudited	30.09.2019 Unaudited	31.12.2018 Unaudited	31.12.2019 Unaudited	31.12.2018 Unaudited	31.03.2019 Audited	
<b>1 Income</b>							
Revenue from operations	634.98	2,114.02	973.98	3,701.03	2,664.03	3,681.41	
Other Income	47.56	6.05	9.06	59.58	10.76	49.05	
<b>Total Income (1)</b>	<b>682.54</b>	<b>2,120.07</b>	<b>983.04</b>	<b>3,760.61</b>	<b>2,674.79</b>	<b>3,730.46</b>	
<b>2 Expenses</b>							
(a) Cost of film production expenses	27.11	957.29	-	984.40	2.41	2.41	
(b) Purchases of Stock-in-Trade	-	-	-	-	-	-	
(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	31.68	51.27	47.88	119.71	122.64	144.18	
(d) Employee benefit expenses	52.48	60.60	60.53	171.61	189.79	265.33	
(e) Finance Cost	2,346.13	982.60	1,182.34	4,961.39	3,934.02	5,919.91	
(f) Depreciation and amortization expenses	69.42	54.23	46.78	185.57	135.48	170.91	
(g) Other expenses	135.65	280.24	188.66	540.92	547.74	882.21	
(h) Provision for doubtful debts and advances	19.05	-	(525.48)	19.05	587.00	606.93	
(i) Provision against Sub-Standard assets	774.87	774.86	-	2,324.60	-	6,198.93	
<b>Total Expenses (2)</b>	<b>3,456.39</b>	<b>3,161.09</b>	<b>1,000.71</b>	<b>9,307.25</b>	<b>5,519.08</b>	<b>14,190.81</b>	
<b>3 Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>(2,773.85)</b>	<b>(1,041.02)</b>	<b>(17.67)</b>	<b>(5,546.64)</b>	<b>(2,844.29)</b>	<b>(10,460.35)</b>	
<b>4 Exceptional items</b>	-	87.44	775.00	87.44	522.73	1,168.26	
<b>5 Profit before tax (3-4)</b>	<b>(2,773.85)</b>	<b>(953.58)</b>	<b>(792.67)</b>	<b>(5,459.20)</b>	<b>(3,367.02)</b>	<b>(11,628.61)</b>	
<b>6 Tax expense</b>							
a) Current Tax	-	-	-	-	-	-	
b) Deferred Tax	-	-	-	-	-	-	
c) Income tax for earlier years	-	-	0.74	-	0.79	3.15	
d) MAT Credit reversal	-	-	-	-	-	-	
<b>7 Net Profit for the period/year (5-6)</b>	<b>(2,773.85)</b>	<b>(953.58)</b>	<b>(793.41)</b>	<b>(5,459.20)</b>	<b>(3,367.81)</b>	<b>(11,631.76)</b>	
<b>8 Other Comprehensive Income</b>							
a) (i) Items that will not be reclassified subsequently to profit and loss							
Remeasurement of defined benefit obligation	-	-	-	-	-	13.28	
Less : Income tax expense	-	-	-	-	-	-	
<b>Total Other Comprehensive Income (8)</b>	-	-	-	-	-	13.28	
<b>9 Total Comprehensive Income (7+8)</b>	<b>(2,773.85)</b>	<b>(953.58)</b>	<b>(793.41)</b>	<b>(5,459.20)</b>	<b>(3,367.81)</b>	<b>(11,618.48)</b>	
<b>10 Paid-up equity share capital (Face Value of Re. 10/- each)</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	<b>24,505.27</b>	
<b>11 Other Equity</b>	-	-	-	-	-	(12,124.32)	
<b>12 Earnings per share</b>							
(a) Basic (in Rs.)	(1.13)	(0.39)	(0.32)	(2.23)	(1.37)	(4.75)	
(b) Diluted (in Rs.)	(1.13)	(0.39)	(0.32)	(2.23)	(1.37)	(4.75)	



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- 1 The company allotted 13,289 convertible or redeemable debentures of Rs.1,00,000 each convertible into preference shares and or equity shares as per scheme of amalgamation dated 25th April, 2008, sanctioned by Honourable High Court of Madras between SSI Limited and PVP Ventures Private Limited. The Debenture holder, by letter dated 4th December, 2017, has extended the conversion/redemption option, till 31st March, 2029. During the nine months period ended 31st December, 2019, the company has accounted finance cost of Rs.547.23 lakhs and as on reporting period, the outstanding principal amounting to Rs.5,000 lakhs.
- Further, The company has received the extension letter from the Debenture holder for the repayment of interest for the period from April 2017 to March 2019 amounting to Rs. 1,449 lakhs till the 15th December, 2019 and further it is extended till 31st May, 2020 vide letter dated 05th February, 2020. Further, the debenture holder has stipulated that, in the case of default of payment of interest amount within the extended due date, default additional interest of 2% (over and above the coupon) is to be paid on the defaulted amount from the original due date to till the date of payment.
- During the previous year, One of the Debenture holder holding 5,000 debentures (Rs.1,00,000 each) amounting to Rs. 5,000 lakhs, has waived interest from 01st April, 2017 to 10th October, 2018 subject to redemption of debentures before 31st October 2018. The company had redeemed the debentures on 10th October, 2018. The Interest waived on this from 01st April, 2017 to 10th October, 2018 is Rs. 1,104.38 Lakhs. Out of this, the Interest relating to the previous financial year (FY 2017-18) is Rs. 725 Lakhs which has been shown under "Exceptional Items" in the previous year.
- 2 a) The Company has authorised to issue 1950 listed, (rated, secured), redeemable Non Convertible Debentures (the NCDs) of Rs. 10 Lakhs each for an aggregate amount of Rs.19,500 lakhs, out of which the company has issued Tranche A 386 Debentures aggregating to Rs.3,860 lakhs and Tranche B of 829 Debentures aggregating to Rs.8,290 lakhs which were, subscribed and paid up as per the debenture trust deed dated 16th June, 2017, with remaining debentures unissued.
- b) Further, as per the Debenture Trust Deed, the scheduled redemption period starts from 30th June, 2018 and ends with 31st March, 2022, whereas per the definition therein, "final schedule redemption date means the date falling sixty (60) months from the deemed date of allotment" i.e 60 months shall be 30th June, 2022. Therefore management is of the opinion that schedule redemption date should start from 30th September, 2018 instead of 30th June, 2018 as contemplated in the Trust Deed. The company has communicated the same to the debenture holders highlighting the inconsistency of dates and an addendum to be made to this affect, however, as per the letter dated 05th February, 2020 from the debenture holder reiterated that the redemption period will start from 30th June, 2018.
- c) Whereas the repayment dues of Tranche A Debentures aggregating to Rs.1,689.56 lakhs (out of which principal amounting to Rs. 1,343.75 lakhs and Interest amounting to Rs.345.81 lakhs) and Tranche B Debenture aggregating to Rs.3,414.73 lakhs (out of which principal amounting to Rs.1,554.38 lakhs and Interest amounting to Rs.1,860.35 lakhs) as at 31st December, 2019 are still unpaid. The company has received extension letter dated 05th February, 2020 from the Debenture holder extending the repayment of principal amount which have fallen due till 31st March, 2019 amounting to Rs.620.00 lakhs to be paid on or before 31st May, 2020. Further, the debenture holder have also stipulated that, in the case of default of payment of principal repayment within the extended due date, default additional interest of 5%p.a (over and above the coupon) is to be paid on the defaulted amount from the original due date till the date of payment.
- d) Under the circumstances, the company defaulted the redemption of debentures which has fallen due in December, 2018 beyond the time permitted under section 164(2)(b) of the Companies Act, 2013. However, as per the legal advice, management is of the view that eventhough the repayment has not been made within the period contemplated in the above refer section, the default has been ratified by the debenture holder with retrospective effect by virtue of which the management contents that the disqualification of directors as per the above provisions has not been attracted. Auditors have drawn qualified opinion on this matter.
- e) Whereas per the repayment dues of Tranche A and Tranche B Debentures after 31st March, 2019 amounting to Rs.4,484.29 lakhs (out of which principal amounting to Rs.2,278.13 lakhs and interest amounting to Rs. 2,206.16 lakhs) as at 31st December, 2019 are unpaid within the due dates as specified in the Debenture Trust Deed, and in the event of such default additional interest of 5% p.a (over and above the coupon) is to be paid on the defaulted amount till the date of payment, which has not been provided in the financial results, in view of the company's request for waiver of default interest is pending with the debenture holder. Auditors have drawn emphasis of matter in this regard.
- 3 Effective 1 April 2019, the Company has adopted ind AS 116, 'Leases' using the modified retrospective approach, as a result of which the comparative information is not required to be restated. The cumulative effect of initial application of the standard amounting to Rs. 28.86 Lakhs has been recognised as an adjustment to opening balance of retained earnings as at April 1, 2019. The company has recognised Rs. 68.27 Lakhs as right to use assets and lease liability of Rs.97.12 Lakhs as on the date of transition i.e April 1, 2019. Accordingly, during the Nine months ended Dec 31, 2019, Rs. 9.71 Lakhs has been accounted as Finance Cost and Rs. 28.32 Lakhs as Depreciation against the payment of Rs. 49.80 Lakhs.

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- 4 The value of investments in subsidiaries and loans and advances to these companies net of provisions made are currently standing at Rs. 25,008.90 Lakhs and Rs. 32,945.73 Lakhs respectively. Considering the intrinsic value of the assets held by these companies and potential cash flows that may accrue on account of their business operations the management is of view that the carrying value of net investments and loans and advances does not warrant any adjustment in the long run. Auditors have drawn qualified opinion on this matter.
- 5 The Company has given a corporate guarantee to its Step-down Subsidiary Company, PVP Capital Limited (PVPCL), which has not adhered to repayment schedule of principal and interest dues to a bank consequent to which the bank has filed a case for recovery of the dues before the Debt Recovery Tribunal (DRT) amounting to Rs.14,890.40 lakhs (includes interest accrued) as per latest sale notice dated 03rd July, 2019. Further the bank has initiated SARFAESI proceedings and has taken symbolic possession of secured, immovable property of the Company under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and issued an e-auction sale notice. There were no bidders for the aforesaid sale notice and consequently the e-auction sale proceedings has become infructuous. Further, PVPCL has applied for One Time Settlement to the bank and confident to settle the same. Auditors have drawn qualified opinion on this matter.
- 6 The Company has given a corporate guarantee and pledged 10,00,000 equity shares of Rs. 10/- each held in Picturehouse Media Limited. With the approval of developer, the company has mortgaged 20 flats of Ekanta Tower-1 of North Town Project, Chennai, for availing term loan from the Bank by its subsidiary company i.e Safe trunk Services Private Limited (SSPL).

SSPL and UCO Bank has agreed for one time settlement (OTS) of Rs.390 lakhs vide letter dated 08th August, 2019. Accordingly, SSPL has paid Rs. 300 lakhs till 31st December, 2019 and for the balance amount of Rs.90 Lakhs, the Company has requested to pay the same in two monthly instalments i.e January, 2020 and February, 2020 vide letter dated 31st December, 2019. Further, the company has requested the UCO Bank to release the mortgaged securities and shares pledged as collateral security.

- 7 Appeals have been filed and are pending adjudication in regard to various income tax disputes, demands aggregating to Rs.1,783.25 Lakhs. The company has been advised that it has a good case to support its stand hence does not warrant any provision in this regard. Auditors have drawn emphasis of matter in this regard.
- 8 The shares of the company are listed in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Board had a Woman director till March 2017 and subsequent to the resignation, a new Woman Director was appointed on 05th December, 2018. During the previous year, the company received notice for delayed compliance of appointment of Women Director in the Board of Directors as per Regulation 17(1) and Constitution of Nomination and Remuneration Committee as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") imposing penalty of Rs. 12.97 lakhs by BSE.

Aggrieved by the penalty, the company filed an application under Regulation 102 of SEBI LODR with SEBI, for granting exemption from penalty for delayed compliance of SEBI LODR. However, SEBI dismissed the application vide letter dated 26th April, 2019. Aggrieved by the aforesaid letter from SEBI dismissing the application, the Company filed an appeal with the Securities Appellate Tribunal (SAT) and the management believes that it has a good case and accordingly no provision has been made in the books of accounts. Auditors have drawn emphasis of matter in this regard.

- 9 The company was inspected under section 206 of the Companies Act 2013 in January 2016 and the company received the letter dated 22nd July 2017, from the Inspecting officer asking the company to explain the non-compliance under the Companies Act 1956 and under the Companies Act 2013. The company replied on 03rd October, 2017 and furnished all the required details and explanations.

Subsequently on 22nd March 2019, the company received Show Cause notices and adjudication for Section 118, 134(4) (of 2013 Act) and 193(1) (of 1956 Act), the company has replied with details in April 2019. Assistant Registrar of Companies (AROC) issued letter dated 29th April 2019 for filing compounding application. The company has paid the compounding fee amounting to Rs.70,500/-.

- 10 The company operates in Real estate and allied activities and hence segment reporting is not applicable.

### **Notes to the Consolidated Financial Results**

- 11 Appeals have been filed and are pending adjudication in regard to various income tax disputes, demands aggregating to Rs.1,893.13 lakhs. The company has been advised that it has a good case to support its stand hence does not warrant any provision in this regard. Auditors have drawn emphasis of matter in this regard.

### **Notes relating to M/s. Picturehouse Media Limited (PHML):**

- 12 The current assets of the company includes loans and advances amounting to Rs.3,637.76 lakhs and 'expenditure on films under production' amounting to Rs. 4,630.10 lakhs. As regards the loans and advances, the management is confident of realising the value at which they are carried not withstanding the period of out standing. As regards 'expenditure on films under production' mainly comprising payments to artistes and co-producers the company is evaluating options for optimal utilization of these payments in production and release of films. Accordingly the company is confident of realising the entire value of 'expenditure on films under production'. The management does not foresee any erosion in carrying value. The auditors have drawn qualified opinion in this regard.
- 13 The shares of the company is listed in BSE. The Board had a Woman director till Mar'17 and subsequent to the resignation, a new Woman Director was appointed in Dec'18. SEBI issued a Circular in May'18, that non-appointment will attract fine. So the stock exchange has imposed a penalty under regulation 17 and 19 for the quarter ended 30th Sep'18 amounting to Rs.7.59 lakhs. The company has filed an appeal with Securities Appellate Tribunal (SAT) for the same. The auditors have drawn Emphasis of Matter in this regard.

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14 The Principal Commissioner of CGST and Central Excise has passed an order in 2017 for the Financial Years 2011-12 to 2014-15 with regard to the Service Tax on the perpetual sale of various copyrights, demanding a sum of Rs.802.33 lakhs and penalty of Rs.802.43 lakhs. This is a Film Industry's issue and most of the producers have gone for appeal. Aggrieved by the order, the company has disputed the demand with Honourable Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by paying the required Deposit of Rs.60.18 lakhs, which is shown Under Non- Current Assets.

In continuation of above Show Cause Notice, during the previous year Additional Commissioner of CGST and Central Excise passed another order for the Financial year 2015-16, 2016-17 and 2017-18 (Till June 2017) on the same grounds demanding a sum of Rs. 155.42 lakhs and penalty of Rs. 15.64 lakhs and further passed an order demanding a sum of Rs. 117.59 lakhs for the Financial year 2015-16 without allowing CENVAT credit. The company has disputed this demand and filed an appeal with CESTAT by paying the required Deposit of Rs.27.31 lakhs, which is shown under Non-Current Assets. The management believes that it is a good case and accordingly no provision has been made in the books of accounts.

**In the case of PVP Capital Limited (Wholly owned Subsidiary of PHML)**

15 a. As already referred in point 5, The company has defaulted on repayment of interest and loans aggregating Rs.14,890.40 lakhs (including inte. est accrued) as per latest sale notice dated 03rd July, 2019 which are payable on demand. Due to market condition in film industry, the company's customers did not meet their payment obligations and hence the above default. The company is contemplating to close the loan of way of One Time Settlement (OTS) in the near future. The auditors have drawn qualified opinion in this regard.

b. Parally, the company has a loan book of Rs. 15,381.04 lakhs given to various film producers. Due to significant delay in completing the films, the Company's customers did not service the interest and loan repayment. Consequently, the company has made a cumulative provision of Rs. 11,684.38 lakhs for the expected credit loss. Management asserts that no adjustment to the carrying value is required as it is confident of recovery from the borrowers. The auditors have drawn qualified opinion in this regard.

16 During the quarter ended 30th September, 2019, the company unearthed a misappropriation of cash perpetrated by an employee of the company in respect of which a company has initiated steps to recover the same, the eventual financial implications of the misappropriation is being assessed and the management is confident that there will not be any loss that may arise on account of this aspect.

17 The company has received communication letter from the Reserve Bank of India (RBI) letter dated 20th November, 2019, stating that the company has not maintained the mandatory amount of Net Owned Fund of Rs.200 Lakhs. Further, RBI has instructed to furnish an action plan to achieve the mandatory amount of Net Owned Fund of Rs.200 Lakhs on or before 31st March, 2020, failing which RBI would be constrained to initiate strict action including the cancellation of Certificate of Registration.

**In the case of Safetrunk Services Private Limited**

18 Safetrunk Services Pvt Ltd (SSPL) is engaged in the business of providing private locker facility center. The company has 4294 lockers with high-end security facilities, which can be considered as a State of art infrastructure facility. The Company commenced its operation during the financial year 2018 and is in the process of consolidating the market. There is no intention to liquidate and the Company has got foreseeable future. Despite low cash flows from the cash generating unit (CGU), impairment of the carrying value of entire assets of the CGU of Rs.1,033.88 lakhs has not been provided for, due to which the Loss is lesser by this amount. Considering the gestation period for market capitalisation, the financial statements are prepared on Going Concern basis though the Company's income is far less than the operational expenditure and the management does not foresee any erosion in carrying value of Cash Generating Unit. Auditors have drawn qualified opinion on this matter.

**In the case of PVP Global Ventures Private Limited**

19 PVP Global Ventures Private Limited has advanced a sum of Rs. 13,755.54 Lakhs towards acquisition of land and other rights for its proposed power project(s). In terms of the arrangements, these parties are required to facilitate acquisition of certain areas of land parcels within 48 months against which these advances are paid off, failing the completion of the land parcel, the group may demand payment of the advance and shall not be obliged to acquire the land parcel from these parties. Auditors have drawn emphasis of matter in this regard.

20 The Enforcement Directorate had provisionally attached the land measuring 28 Acres and 8 Guntas of the Group in connection with the redemption of the investments in Mahalakshmi Energy Ventures Private Limited by the Group. The said attachment order has been confirmed by the Adjudicating Authority of the Enforcement Directorate. The Company has filed an appeal against the said Order. Based on the expert advice, the Company is confident of succeeding before the appellate authority

**Other Notes for Consolidated Financial Results**

21 With reference and in continuation to the Point No. 6, During the previous year, UCO Bank Ltd invoked the 10 lakhs pledged shares of Picturehouse Media Ltd held by PVP Ventures Ltd. Consequently, the total investments of 51.46% in Picturehouse Media Limited held by PVP Ventures Limited along with its subsidiaries has reduced to 49.55%.

PVP Ventures Limited along with its subsidiaries has less than a majority of voting rights (49.55%) on Picturehouse Media Limited but still holds control over the management. Hence the Financial statements of Picturehouse Media Limited along with its subsidiaries are consolidated while preparing the Consolidated Financial Statements for the periods ending 31st March, 2019 and 31st December, 2019 in compliance with Section 2(87) of the Companies Act, 2013.

22 During the previous year, PVP Global Ventures Private Limited has acquired the 100% shares of 2 Companies i.e, Arete Real Estate Developers Private Limited and Expressions Real Estate Development Private Limited to expand the real estate business vertical. The aforesaid companies have become the Wholly Owned Subsidiary of PVP Global Ventures Private Limited with effect from 2nd June, 2018.

23 The consolidated financial results for the quarter ended and for the nine months period ended 31st December, 2018 were not subjected to limited review by the statutory auditors of the company and are prepared by the management.

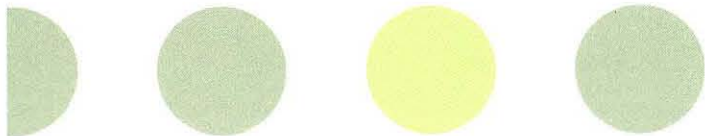


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**Regd. Office:** KRM Centre 9th Floor No. 2 Harrington Road Chetpet Chennai - 600 031 T: +91 44 3028 5570 F: +91 44 3028 5571

info@pvpglobal.com | pvpglobal.com





(Rs. in Lakhs)

24	Exceptional Items	For the quarter ended 31-12-2019	For the quarter ended 30-09-2019	For the quarter ended 31-12-2018	For the Nine Months ended 31-12-2019	For the Nine Months ended 31-12-2018	For the year ended 31-03-2019
	a) Liabilities written back -Interest on FCD's waived	-	-	(725.00)	-	(725.00)	(725.00)
	b) Penalty levied by SEBI	-	-	1,500.00	-	1,500.00	1,500.00
	c) Interest on Penalty levied by SEBI	-	-	-	-	-	645.53
	d) Goodwill Impairment on acquisition of new subsidiaries	-	-	-	-	117.73	117.73
	e) Reversal of provision on advances due to acquisition of subsidiaries.	-	-	-	-	(370.00)	(370.00)
	f) Reversal of Interest expenses written back on account of One Time Settlement (OTS) with Bank	-	87.44	-	87.44	-	-
	<b>Total</b>	-	<b>87.44</b>	<b>775.00</b>	<b>87.44</b>	<b>522.73</b>	<b>1,168.26</b>

- 25 PVP Global Ventures Private Limited (PVP Global), Mr. Prasad V Potluri and PVP Ventures Limited (PVP) received Orders from Adjudicating Officer dated 27th March, 2015 for non-compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992. PVP Global, Mr. Prasad V Potluri and PVP filed appeals before the Securities Appellate Tribunal (SAT) vide Appeal No. 356 and 357 of 2015 challenging the orders of Adjudicating Officer.

SAT vide order dated 20th June, 2018 reduced the penalty of Rs. 1,530 lakhs on Mr. Prasad V Potluri to Rs. 515 Lakhs, upheld the penalties of Rs. 1,500 lakhs imposed on PVP Global and Rs.15 Lakhs on PVP. Hence, miscellaneous Applications No.180 and 181 dt. 2nd July, 2018 were filed before the Honourable SAT for staying its order for which the SAT granted 6 weeks' time to appeal with Honourable Supreme Court. Also on 6th July 2018, as Security, the appellants deposited Original Title deeds of Land valuing more than Rs.3000 lakhs, held by its subsidiaries for realization and payment of the aforesaid demand. Civil appeal No.9092 dated 16th August 2018, was filed before the Honourable Supreme Court, which was dismissed on 14th September, 2018, and the SAT Orders were upheld. A demand was raised by the Recovery Officer, SEBI, Vide No.1770, 1771 and 1772 dated 26th October, 2018 with interest from, 27th March, 2015, the date of order from Adjudicating Officer. The appellants filed review petitions before the Honourable SEBI/SAT, Mumbai on 10th November 2018 and 21st November, 2018, stating technical and legal reasons, that the final SAT order was dated 20th June 2018, whereas the interest was calculated since 2015 and the orders dated 27th March, 2015 and 28th June, 2018 are silent on levy of interest.

SEBI initiated attachment proceedings on 19th November, 2018 of the Demat Accounts and Bank accounts of the three appellants. The holding company, PVP Ventures Limited paid Rs.15 lakhs and disputed interest of Rs. 6.46 lakhs on 07th December, 2018 and the freezing of accounts was lifted for PVP Ventures Limited. SAT, dismissed the company's appeal on interest in April, 2019. The Company has appealed with the Honorable Supreme Court and received Stay Order dated 12th July, 2019 for payment of Interest. The appellants have written to SEBI, requesting to keep the order on record and to keep the recovery proceedings in abeyance.

PVP Global Ventures Private Limited has made provisions, for the principal amount of Rs. 1500 lakhs and disputed interest of Rs. 645.53 lakhs and the same has been grouped under exceptional items in the Consolidated Financial statements for the year ended 31st March, 2019.

- 26 Effective 1 April 2019, the Company has adopted Ind AS 116, 'Leases' using the modified retrospective approach, as a result of which the comparative information is not required to be restated. The cumulative effect of initial application of the standard amounting to Rs. 140.56 Lakhs has been recognised as an adjustment to opening balance of retained earnings as at April 1, 2019. The company has recognised Rs. 279.37 Lakhs as right to use assets and lease liability of Rs.419.94 Lakhs as on the date of transition i.e April 1, 2019. Accordingly, during the Nine months ended Dec 31, 2019, Rs. 43.10 Lakhs has been accounted as Finance Cost and Rs. 63.57 Lakhs as Depreciation against the payment of Rs. 119.04 Lakhs.
- 27 Picturehouse Media Private Limited, a Wholly-Owned Subsidiary of the Company, incorporated in Singapore had submitted an application to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") to strike off from the register of companies. Picturehouse Media Private Limited, Singapore has been officially struck off and dissolved with effect from 5th November, 2018. The Voluntary Strike off of the above dormant subsidiary does not have any material impact on the company.

**General Notes**

- 28 The above unaudited financial results of the company have been prepared in accordance with (Indian Accounting Standards) ("Ind AS") as prescribed under section 133 of the companies act, 2013 read with relevant rules thereunder and in terms of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 29 The above unaudited financial results were reviewed and recommended by the audit committee and approved by the of the Board of Directors at its meeting held on 12th February, 2020. The above results have been subjected to limited review by the statutory auditors of the company and have issued a Qualified Review Report thereon in Standalone and Consolidated Financial Results.
- 30 Previous period figures have been regrouped wherever necessary to confirm to current period classification.
- 31 These results are also available at the website of the company: [www.pvpglobal.com](http://www.pvpglobal.com); and [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Place: Hyderabad  
Date: February 12, 2020

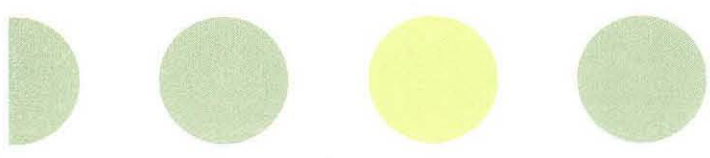
For and on behalf of the Board of Directors  
  
Prasad V. Potluri  
Chairman & Managing Director

**PVP Ventures Ltd.**

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PVP Consolidation Segment Results for the Quarter and Nine Months Ended 31st December, 2019						
PARTICULARS	Consolidated					
	Quarter ended			Nine Months ended		Year ended
	31.12.2019 Unaudited	30.09.2019 Unaudited	31.12.2018 Unaudited	31.12.2019 Unaudited	31.12.2018 Unaudited	31.03.2019 Audited
<b>1 Segment Revenue</b>						
Real Estate	618.51	946.77	821.85	2,316.93	2,201.72	3,080.48
Media Production & Finance Realted Activities	19.12	1,163.45	159.18	1,384.64	465.94	641.51
Others	-	-	-	-	-	-
Unallocable Income	3.39	9.85	2.01	17.52	7.13	8.48
<b>Total</b>	<b>641.02</b>	<b>2,120.07</b>	<b>983.04</b>	<b>3,719.09</b>	<b>2,674.79</b>	<b>3,730.46</b>
<b>2 Segment Profit/(Loss) before finance and tax</b>						
Real Estate	440.81	604.37	587.57	1,595.76	1,529.35	1,906.64
Media Production & Finance Realted Activities	(840.11)	(611.42)	99.23	(2,064.25)	(294.17)	(6,433.18)
Others	-	-	-	-	-	-
Eliminations	16.87	7.85	28.10	36.65	248.31	921.84
Unallocable Expenditure	(38.63)	(59.21)	449.77	(146.75)	(393.77)	(683.46)
<b>Segment Profit/(Loss) before finance and tax</b>	<b>(421.05)</b>	<b>(58.42)</b>	<b>1,164.67</b>	<b>(578.58)</b>	<b>1,089.72</b>	<b>(4,288.16)</b>
Less: Finance cost	(2,344.94)	(982.60)	(1,182.34)	(4,960.20)	(3,934.02)	(5,919.91)
<b>Loss before exceptional items and tax</b>	<b>(2,765.99)</b>	<b>(1,041.02)</b>	<b>(17.67)</b>	<b>(5,538.78)</b>	<b>(2,844.30)</b>	<b>(10,208.07)</b>
Exceptional items	-	-	-	-	-	-
- Real Estate	-	-	(725.00)	-	(725.00)	(725.00)
- Others	-	87.44	1,500.00	87.44	1,247.73	2,145.53
<b>Loss before tax</b>	<b>(2,765.99)</b>	<b>(953.58)</b>	<b>(792.67)</b>	<b>(5,451.34)</b>	<b>(3,367.03)</b>	<b>(11,628.60)</b>
<b>3 segment Assets</b>						
Real Estate	118,126.43	118,040.02	118,961.43	118,126.43	118,961.43	118,141.59
Media Production & Finance Realted Activities	13,231.30	14,956.31	22,367.12	13,231.30	22,367.12	16,424.05
Others	-	-	-	-	-	-
Unallocable Assets	20,529.33	20,510.50	20,829.64	20,529.33	20,829.64	20,433.28
Eliminations	(88,286.55)	(88,175.58)	(88,600.84)	(88,286.55)	(88,600.84)	(88,059.30)
<b>Total</b>	<b>63,600.51</b>	<b>65,331.25</b>	<b>73,557.34</b>	<b>63,600.51</b>	<b>73,557.34</b>	<b>66,939.63</b>
<b>4 Segment Liabilities</b>						
Real Estate	30,780.73	30,355.34	29,004.75	30,780.73	29,004.75	30,134.69
Media Production & Finance Realted Activities	27,037.20	26,365.54	24,098.69	27,037.20	24,098.69	25,462.23
Others	-	-	-	-	-	-
Unallocable Assets	3,316.79	3,370.62	2,599.93	3,316.79	2,599.93	3,277.58
Eliminations	(1,009.97)	(1,010.02)	(1,010.78)	(1,009.97)	(1,010.78)	(1,010.29)
<b>Total</b>	<b>60,124.75</b>	<b>59,081.47</b>	<b>54,692.59</b>	<b>60,124.75</b>	<b>54,692.59</b>	<b>57,864.22</b>

*PR*

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PVP Ventures Limited

Registered Office: Door No.2, 9th Floor, KRM Center, Harrington Raod, Chetpet, Chennai-600031

CIN:L72300TN199PLC020122

EXTRACT OF UNAUDITED STANDALONE and CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(as per format of Newspaper Publishing Purpose of Regulation 33 of SEBI Listing Regulations, 2015)

Rs. in lacs


Sl. No	Particulars	Standalone			Consolidated		
		Quarter ended	Nine months ended	Quarter ended	Quarter ended	Nine months ended	Quarter ended
		31.12.2019	31.12.2019	31.12.2018	31.12.2019	31.12.2019	31.12.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Total income from operations (net)	618.51	2,316.92	821.85	682.54	3,760.61	983.04
2	Net Profit / (Loss) for the period (before tax , exceptional and/or extra ordinary items)	(338.85)	(630.78)	232.22	(2,773.85)	(5,546.64)	(17.67)
3	Net Profit / (Loss) for the period before tax (after exceptional and/or extra ordinary items)	(338.85)	(630.78)	957.22	(2,773.85)	(5,459.20)	(792.67)
4	Net Profit / (Loss) for the period after tax( after exceptional and/or extraordinary items)	(338.85)	(630.78)	957.22	(2,773.85)	(5,459.20)	(793.41)
5	Total comprehensive Income for the period (Comprising profit / (loss) for the period (after tax) and ther comprehensive income ( after tax))	(338.85)	(630.78)	957.22	(2,773.85)	(5,459.20)	(793.41)
6	Equity Share Capital (Face value of Rs. 10 each)	24,505.27	24,505.27	24,505.27	24,505.27	24,505.27	24,505.27
7	Earnings Per Share ( not annualised) of Rs. 10 each/-						
	Basic	(0.14)	(0.26)	0.39	(1.13)	(2.23)	(0.32)
	Diluted	(0.14)	(0.26)	0.39	(1.13)	(2.23)	(0.32)

NOTE

- 1 The above results have been reviewed by the Audit Committee at its meeting held on 12th February, 2020 and approved by the Board of Directors at its meeting held on even date. The above quarterly results have also been reviewed by the statutory auditors.

- 2 The above is an extract of the detailed format of Standalone financial results for the quarter and nine months ended 31st December, 2019 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Exchange websites www.bseindia.com and on the company's website www.pvpcinema.com.

For and on behalf of the Board of Directors



Prasad V. Potturi  
Chairman & Managing Director

Place: Hyderabad

Date: February 12, 2020

**PVP Ventures Ltd.**

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**Limited Review Report on Unaudited Quarterly Standalone Financial Results and Year to Date Results of “PVP Ventures Limited” pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors  
PVP Ventures Limited  
Chennai.

1. We have reviewed the accompanying statement of the unaudited standalone financial results of **PVP Ventures Limited** (“the Company”), for the quarter ended 31<sup>st</sup> December, 2019 and year to date results for the period ended 31<sup>st</sup> December, 2019 (the statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *Attention is invited to Note no. 4 to the financial results, in relation to investment in equity shares includes investments in three subsidiary companies net off provision made amounting to Rs.25,008.90 Lakhs and loans and advances to subsidiary companies of net off provision made amounting to Rs.32,945.73 Lakhs. The management is of the view that considering the market value of the assets and expected cash flows from the business of these subsidiary companies the provision already made is adequate. However, considering erosion in the net worth of the subsidiary companies and their dependence on the holding company to continue as a going concern, and in the absence of visible cash flows, delay in commencement of projects and other related factors indicate the existence of material uncertainty in the ability of the company to realize the values thus, the carrying value of investments and loans and advances (net of provision already made) is unascertain of recoverability. Therefore, we are of the view that the carrying amounts of the investments as well as loans shall be adjusted for their realisability by making additional provision taking cognizance of erosion in the networth of the investee/loanee*





companies and also taking to consideration their inability to continue as a going concern. Accordingly, the loss for the period ended 31<sup>st</sup> December, 2019 is understated to that extent.

5. Attention is invited to Note No.5 to the financial results, the Company has mortgaged its land situated at perambur as a security and also given corporate guarantee to a bank for the borrowings made by PVP Capital Limited (i.e. wholly owned step down subsidiary company) amounting to Rs.10,000 Lakhs. The outstanding amount is Rs.14,890.40 lakhs as per latest sale notice dated 03<sup>rd</sup> July, 2019.

PVP Capital Limited 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. We were informed that the PVP Capital Limited is in negotiation with the bank for one time settlement (OTS).

The management asserts that no adjustment to the carrying value is required as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. Whereas, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. In this background, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the underlying loan have already been defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company towards corporate guarantee issued. Accordingly, to the extent of the carrying value of assets or the guarantees issued should be considered as obligation of the company. Accordingly, the loss for the nine months period ended 31<sup>st</sup> December, 2019 is understated to this extent.

6. Attention is invited to note no.2(d) to the financial results, which explains the management view point and understanding of the implications arising on account of defaults committed in redeeming the debentures as per the schedule of redemption, though the management obtained an extension from the debenture holder vide letter dated 05th February, 2020, we are unable to express our opinion whether such extension of redemption period (covering all the defaults happened upto 31<sup>st</sup> March, 2019) with retrospective effect will exonerate the board of directors from the implications of section 164(2)(b) of the Companies Act, 2013.

7. Without qualifying our audit conclusion, attention is invited to

- (i) As explained in note no.2(e) to the financial results, where many aspects of debenture trust deed have not been adhered by the company including repayment of principal and interest. We are unable to assess the current implications as the eventual outcome of these defaults which are unascertainable, as various concessions and approvals from the debenture



holders, seeking exemptions from implications arising from the defaults in debenture trust deed are awaited.

- (ii) As explained in Note no.7 to the financial results, the obligations towards disputed income tax matters amounting to Rs.1,783.25 lakhs are pending before different judicial forums. Pending disposal of these appeals the eventual obligation in this regard is unascertainable at this time. Based on the management's assessment and based on the experts view on the merits of the dispute, no provision is made in this regard.
- (iii) Attention is invited to Note no. 8 to the financial results, Bombay Stock Exchange Limited (BSE) has imposed penalty on the company amounting to Rs.12.97 lakhs as per regulation 17 and 19 of the SEBI (LODR) Regulations, 2015 for non compliance with the requirements pertaining to the composition of Board regarding failure to appoint Women Director and for non-compliance with the constitution of Nomination and Remuneration Committee. The company has disputed the same and filed an appeal before Securities Appellate Tribunal (SAT), the eventual obligation if any, in this regard is unascertainable at this stage. Based on the management's assessment, that it has good case to succeed, hence no provision is made in the standalone financial results.

Our conclusion is not modified in respect of above matters.

8. Based on our review conducted as stated above, *except for the possible effects of the matters described in the paragraphs 4,5 and 6*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai  
Date: 12<sup>th</sup> February, 2020

**For Brahmayya & Co.,**  
Chartered Accountants  
Firm Regn No: 000511S

*K. Jitendra Kumar*

**K.Jitendra Kumar**  
Partner  
Membership No. 201825  
UDIN:20201825AAAAAS1307





**Limited Review Report on Unaudited Consolidated Quarterly Financial Results and Year to Date Results of “PVP Ventures Limited” Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Board of Directors**  
**PVP Ventures Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **PVP Ventures Limited** (“the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 31<sup>st</sup> December, 2019 (“the Statement”) and for the period from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> December, 2019, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31<sup>st</sup> December, 2018 and for the period from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> December, 2018 as reported in these consolidated financial results have been approved by the Parent’s Board of Directors, but have not been subject to review since the requirement of submission of quarterly consolidated financial results has become mandatory with effect from 01<sup>st</sup> April 2019.
2. The Statement, which is the responsibility of the Parent’s Management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information performed by the Independent Auditor of the entity” issued by the Institute of Chartered Accountants of India (“ICAI”). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





4. Attention is invited to Note No.5 to the financial results, the Company has mortgaged its land situated at perambur as a security and also given corporate guarantee to a bank for the borrowings made by PVP Capital Limited (i.e. wholly owned step down subsidiary company) amounting to Rs.10,000 Lakhs. The outstanding amount is Rs.14,890.40 lakhs as per latest sale notice dated 03rd July, 2019.

PVP Capital Limited 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. We were informed that the PVP Capital Limited is in negotiation with the bank for one time settlement (OTS).

The management asserts that no adjustment to the carrying value is required as it is confident that the payment obligation by the PVP Capital Limited will be met in due course. Whereas, in our view the carrying value of the relevant mortgaged assets is dependent on the repayment of the loan by the PVP Capital Limited. In this background, we are unable to express our view whether the company is justified in carrying the assets that have been mortgaged where the underlying loan have already been defaulted and similarly whether the company is justified in not taking cognizance of financial obligation that may devolve on the company towards corporate guarantee issued. Accordingly, to the extent of the carrying value of assets or the guarantees issued should be considered as obligation of the company. Accordingly, the loss for the nine months period ended 31<sup>st</sup> December, 2019 is understated to this extent.

5. Attention is invited to note no.2(d) to the financial results, which explains the management view point and understanding of the implications arising on account of defaults committed in redeeming the debentures as per the schedule of redemption, though the management obtained an extension from the debenture holder vide letter dated 05<sup>th</sup> February, 2020, we are unable to express our opinion whether such extension of redemption period (covering all the defaults happened upto 31<sup>st</sup> March, 2019) with retrospective effect will enable the board of directors from the implications of section 164(2)(b) of the Companies Act, 2013.
6. As explained in Note No.12 to the financial results includes the results of Picturehouse Media Limited, in relation to loans and advances made for film production (including interest accrued) amounting to Rs.3,637.76 lakhs, whose realisability is significantly dependent on timely completion of production of films and the commercial viability of the films under production etc. Management is of the view that loans and advances can be realised at the time of release of the movies and accordingly, the company is confident of realizing the entire amount of loans with interest and does not foresee any erosion in carrying value. We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of loans and advances as at 31<sup>st</sup>



December, 2019 as the management was unable to provide us the current status of production films and confirmation of balances from the borrowers. Consequently, we were unable to determine whether any adjustments to the carrying amounts of loans and advances were necessary and to this extent, loss for the nine months ended 31<sup>st</sup> December, 2019 is understated.

7. As explained in Note No.12 to the financial results includes the results of Picturehouse Media Limited, in relation to inventory i.e films production expenses amounting to Rs. 4,630.10 lakhs, mainly consists of advances given to artists and co-producers. As the management has not commenced the production of films, the advances continued to be accumulated and carried as inventory. However, management states that it is evaluating options for optimal utilization of these payments. In the absences of demonstrable approach towards commencement and completion of production of films and also in the absence of confirmation of balances from the parties, we are of the view that the realisability of the inventory is doubtful and in the absence of any provision in this regard, the loss for the nine months ended 31<sup>st</sup> December, 2019 is understated to this extent.
8. The independent auditor of subsidiary company have drawn Qualified Conclusion included in the limited review report has been reproduced by us as under:
- a. As explained in Note No.15(a) to the financial results includes the results of PVP Capital Limited, 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 infructuous. The outstanding amount is Rs.14,890.40 lakhs as per latest sale notice dated 03<sup>rd</sup> July, 2019. Taking into consideration, pending ultimate outcome of the legal proceedings as well as liquidity constraints of the subsidiary company, doubts are cast on its ability to continue as a going concern to achieve its future business plans. Hence, 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 results 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. As explained in Note No.15(b) to the financial results, includes the results of PVP Capital Limited, 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.11,684.38 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.*

*c. Attention is invited to Note No.19 to the financial results includes the results of Safe Trunk Services Private Limited, no impairment assessment of property, plant and equipment and intangible assets in carrying value amounting to Rs.1,033.88 lakhs as on 31<sup>st</sup> December, 2019 is made for the business of safe locker facility centre, despite low cash flows from cash generating unit (CGU). Therefore, we are unable to comment on consequential impairment, if any, that is required to be made in carrying value of property, plant and equipment and intangible assets.*

9. We draw attention to:

- a. As explained in note no.2(e) to the financial results, where many aspects of debenture trust deed have not been adhered by the company including repayment of principal and interest. We are unable to assess the current implications as the eventual outcome of these defaults which are unascertainable, as various concessions and approvals from the debenture holders, seeking exemptions from implications arising from the defaults in debenture trust deed are awaited.
- b. As explained in Note no.11 to the financial results, the obligations towards disputed income tax matters amounting to Rs.1,893.13 lakhs are pending before different judicial forums. Pending disposal of these appeals the eventual obligation in this regard is unascertainable at this time. Based on the management's assessment and based on the experts view on the merits of the dispute, no provision is made necessary in this regard.
- c. Attention is invited to Note no. 8 and 13 to the financial results, Bombay Stock Exchange Limited (BSE) has imposed penalty on the company amounting to Rs. 20.56 lakhs as per regulation 17 and 19 of the SEBI (LODR) Regulations, 2015 for non compliance with the requirements pertaining to the composition of Board regarding failure to appoint Women Director and for non-compliance with the constitution of Nomination and Remuneration Committee. The company has disputed the same and filed an appeal before Securities Appellate Tribunal (SAT). Pending disposal of the appeal, the eventual obligation in this regard is unascertainable at this stage. Based on the management's assessment, that it has good case to succeed, hence, no provision is made in the financial results.
- d. The independent auditor of subsidiary company i.e PVP Global Ventures Private Limited have drawn Emphasis of Matter Paragraph included in the review report has been reproduced by us as under:

“As stated in Note No.20 to the financial results, in respect of Loans and advances of Rs. 13,755.54 lakhs to body corporates for scouting of land for the proposed power projects. The long duration of outstanding of these advances and other factors like low probability of getting a big chunk of land for a power project indicate the existence of uncertainty on the




eventual realisability of these advances. The financial impact if any due to non realisability is not ascertainable at this time”.

Our conclusion is not modified in respect of the above matters.

10. The Statement includes the financial results of the entities attached in Annexure 1.
11. Based on our review conducted and procedures performed as stated in paragraph 3 above, *except for the possible effects of the matters described in the paragraphs 4,5,6,7 and 8*, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
12. We did not review interim financial results of ten subsidiaries; included in the Statement, whose financial results reflect total revenue of Rs.109.00 Lakhs, total net loss after tax of Rs.4,449.39 Lakhs, total comprehensive loss of Rs.4,467.84 Lakhs for the period from 01<sup>st</sup> April, 2019 to 31<sup>st</sup> December, 2019, as considered in the Statement. These financial results has been reviewed by the other auditor whose report has been furnished to us by the Management, and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the statement is not modified in respect of the above matter.

**For Brahmayya & Co.,**  
Chartered Accountants  
Firm Reg. No. 000511S

  
**K. Jitendra Kumar**  
Partner



Membership No. 201825  
UDIN:20201825AAAAAT7211

Place :Chennai  
Date : 12<sup>th</sup> February, 2020



**Annexure 1:**

**List of companies consolidated in the PVP Ventures Limited**

<b>Name of the Entity</b>	<b>Relationship</b>
PVP Corporate Parks Private Limited (PCPPL)	Wholly Owned Subsidiary
PVP Global Ventures Private Limited (PVGPL)	Wholly Owned Subsidiary
PVP Media Ventures Private Limited (PMVPL)	Wholly Owned Subsidiary
Safetrunk Services Private Limited (SSPL)	Wholly Owned Subsidiary
New Cyberabad City Projects Private Limited (NCCPPL)	Subsidiary
Picturehouse Media Limited (PHML)	Subsidiary
Adobe Realtors Private Limited (ARPL)	Step Down Wholly Owned Subsidiary
Arete Real Estate Developers private limited	Step Down Wholly Owned Subsidiary
Expressions Real Estates Private Limited	Step Down Wholly Owned Subsidiary
PVP Capital Limited (PCL)	Step Down Subsidiary
PVP Cinema Private Limited (PCPL)	Step Down Subsidiary

