

MINUTES BOOK

MINUTES OF THE 19TH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF PVP VENTURES LIMITED HELD ON THURSDAY, SEPTEMBER 30, 2010 AT 10.00 A.M. AT "KAMARAJ ARANGAM", 492 (OLD NO.574-A), ANNA SALAI, CHENNAI - 600 006

Directors Present

Mr. Prasad V. Potluri, Chairman and Managing Director
Mr. R. Nagarajan, Director (Chairman of the Audit Committee)
Mr. N.S. Kumar, Director

AND

256 members present in person and 8 present by proxy as per the duly signed attendance slips submitted by them.

In attendance

Mr. Dhiraj Kumar Sinha, Company Secretary

Mr. Dhiraj Kumar Sinha, Company Secretary, welcomed the Chairman and Managing Director, Directors, shareholders and other dignitaries on the occasion of the 19th Annual General Meeting of the Company and informed the members that Proxy Register, Audited Annual accounts and Directors' Report for the financial year 2009-10 of all the subsidiaries of the Company, Register of Director's Shareholding, Register of contracts and Minutes of the previous Annual General Meetings are open for inspection by the members.

As the requisite quorum was present, the Company Secretary requested Mr. Prasad V. Potluri, Chairman & Managing Director, to commence the proceedings of the Annual General Meeting.

Mr. Prasad V. Potluri, Chairman & Managing Director welcomed the members to the 19th Annual General Meeting of the Company and thereafter delivered his speech, which is enclosed as **Annexure-I**.

After delivering his speech, the Chairman informed the members that the Notice of the AGM and Annual Accounts of the Company for the financial year ended at March 31, 2010 and the Reports of the Auditors and the Directors thereon were sent to all the members and hence sought the permission of the members to take them as read. The members present agreed to the request of the Chairman.

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1. Adoption of Audited Annual Accounts for the financial year ended March 31, 2010

Before taking up the resolution for adoption of audited annual accounts, the Chairman invited the members present to raise any question or seek any clarification on the audited annual accounts of the Company.

Few members requested the Chairman to clarify on the following points:

- (i) Provisions for diminution in the value of investments of Rs. 300 Crores;
- (ii) Loss of Rs. 440 Crores in the consolidated financial statement of the Company;
- (iii) Status of FCDs of Rs. 406.44 Crores held by Platex Limited; and
- (iv) Going concern remarks made by the Auditors in their Report

The Chairman explained that as a matter of audit prudence, the Company has made a provision of Rs. 300 Crores in the value of its investments as these investments are mainly in the subsidiaries company, which are engaged in real estate business.

The Chairman further explained that a loss of Rs. 440 Crores is due to the loss of sale of the shares of the Company held by PVP Energy Private Limited, a wholly owned subsidiary of the Company. Since this subsidiary had acquired these shares at a cost price of Rs. 208 per share at the time of open offer in 2007 and sold during the year at an average price of Rs. 45-50, hence, the loss appears in the consolidated financial statements of the Company.

For the FCDs held by Platex, the Chairman stated that FCDs worth of Rs. 273.55 Crores are mandatorily convertible into the equity shares of the Company at a conversion price of Rs. 204 per share on or before January 22, 2011. The Chairman also drawn the attention of the members that Platex Limited is a company 100% owned by him and due to the financial position of the Company had been waiving the interests payable on these FCDs so far. The members appreciated the waiver of interests by Platex Limited.

The Chairman explained the members that the Company is an asset-based company and the cash flows can be generated once the development of the project starts. Hence, the Company has been planning to diversify into other verticals to generate sustainable cash flow. The going concern remark made by the Auditors is due to the audit prudence.

Few of the shareholders also made the suggestions related to disclosures in the Corporate Governance Report and to make a presentation to the shareholders about the assets of the Company in the next AGM, which the Chairman accepted.

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Thereafter, the Chairman moved the following resolution as an ordinary resolution for the approval of the members:

“RESOLVED THAT the Balance Sheet as at 31st March 2010, Profit & Loss Account for the year ended together with the Cash Flow Statement, Directors’ Report and the Auditors Report and the management reply thereon, be and are hereby received, considered and adopted.”

The resolution was proposed and seconded by the members. The Chairman put the resolution to vote by show of hands. The members raised their hands in favour of the resolution and none opposed the same. Thereafter, the Chairman declared that the resolution was passed unanimously by the members.

2. Re-appointment of Mr. N. S. Kumar

The Chairman informed the members that as per the Articles of Association of the Company, Mr. N. S. Kumar retires by rotation and being eligible, he offers himself for re-appointment.

He read the following resolution to be passed as an ordinary resolution:

“RESOLVED THAT Mr. N. S. Kumar, Director retiring by rotation, be and is hereby re-appointed as a Director of the Company.”

The resolution was proposed and seconded by the members. The Chairman put the resolution to vote by show of hands. The members raised their hands in favour of the resolution and none opposed the same. Thereafter, the Chairman declared that the resolution was passed unanimously by the members.

3. Appointment of the Auditors

The Chairman informed the members that M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, the retiring Auditors had expressed their unwillingness to be available for re-appointed as the Statutory Auditors of the Company. Accordingly, the Board of Directors had proposed to appoint M/s. CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

The Chairman then read the following resolution to be passed as an ordinary resolution:

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“RESOLVED THAT pursuant to the provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s. CNGSN & Associates, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors.”

The resolution was proposed and seconded by the members. The Chairman put the resolution to vote by show of hands. The members raised their hands in favour of the resolution and none opposed the same. Thereafter, the Chairman declared that the resolution was passed unanimously by the members.

4. **Re-appointment of Mr. Prasad V. Potluri as the Chairman and Managing Director**

The Chairman requested Mr. R. Nagarajan to chair the meeting since he was interested in this item.

Mr. R. Nagarajan took the chair and informed the meeting that the members in the 16th AGM had appointed Mr. Prasad V. Potluri as Chairman and Managing Director of the Company with effect from December 04, 2007 till December 03, 2010.

He further informed that since the tenure of Mr. Potluri was coming to an end on December 03, 2010, it was proposed to re-appoint him as the Chairman and Managing Director for a period of five years from December 04, 2010 to December 03, 2015 at a salary of Re. 1 per annum. He drawn the attention of the members that the other terms and conditions of the re-appointment were incorporated in the explanatory statement annexed to the notice calling this AGM.

Thereafter, he read the following resolution to be passed as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, Mr. Prasad V. Potluri, be and is hereby re-appointed as the Chairman and Managing Director of the Company for a period of five years effective from December 04, 2010 to December 03, 2015 at a salary of Re. 1/- per annum and on the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

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RESOLVED FURTHER THAT the terms and conditions of his appointment including remuneration herein may be altered and varied from time to time by the Board of Directors of the Company (which term shall be deemed to include the Remuneration Committee constituted by the Board), so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

The resolution was proposed and seconded by the members. The Chairman put the resolution to vote by show of hands. The members raised their hands in favour of the resolution and none opposed the same. Thereafter, the Chairman declared that the resolution was passed unanimously by the members.

There being no business left, the meeting concluded with a vote of thanks to the Chair.



Prasad V. Potluri
(Chairman & Managing Director)
October 19, 2010

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Annexure-I

**Chairman Address
19th Annual General Meeting of the Company
September 30, 2010**

Ladies and Gentlemen,

On behalf of the Board of Directors of the Company, I extend a very warm welcome to all of you to the 19th Annual General Meeting of your Company.

As you all know that for the past 3 years, your company is primarily a real estate company trying to be an infrastructure company.

We have the privilege of owing premium assets in Chennai and Hyderabad. However, due to the various reasons prevailing in the state, our asset in Hyderabad is not that valuable as it was earlier. Fortunately, our Chennai land is taking off quite well. I would request the members to take liberty to visit the site and have a look at the construction activities going on there. We believe that whole nine-yard approval for this project including CMDA approval is in place and the developer is awaiting the NOC from the municipal authorities to launch the Project.

God willing, we anticipate a sizeable cash flow for over a period of 5-7 years from this Project. I know we have talking about this project for the last 3 years but this time it has become a reality.

Going forward, the focus of the organization would be in power and energy sector and the Company would try to invest judiciously and prudently in the production assets to get sustainable cash flows. I donot want to be ahead of clock and make another commitment to you, but I am confident that the worst is behind us.

I would also like to assure you that being the Promoter of the Company my interests in the Company and its operations are as aligned as any of you. Further, the Company has a very committed management team in place and we are committed to build shareholders wealth going forward.

I look forward to have your continued patronage in the coming years as well.

With warm wishes



Prasad V. Potluri
Chairman and Managing Director
PVP Ventures Limited

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