

GV

GV Films Limited

Registered Office : Damini Building, Next to Dilkhush School,
Opp. Ramada Palm Grove, Juhu Tara Road, Juhu Vile Parle (W),
Mumbai- 400 049 Tel. : 022 - 26135904 / 05 / 10
Fax : 022 2613 5907 E-mail : cs.gvfilms@gmail.com
www.gvfilms.com
CIN : L92490MH1989PLC238780

FORM A

1.	Name of the Company	G V Films Limited
2.	Annual Financial Statements for the year ended	31st March,2014
3.	Type of Audit Observation	Un-qualified / Matter of Emphasis
4.	Frequency of Observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none">CEO/Managing Director	<i>Balayw</i>
	<ul style="list-style-type: none">CFO	NA
	<ul style="list-style-type: none">Auditor of the Company	For R.RAVINDRAN Chartered Accountants Firm Registration No. 03222S
	<ul style="list-style-type: none">Audit Committee Chairman	<i>R Ravindran</i> Member

For G V Films Limited

Balayw
M V Balagiri
Director



Mumbai/Dated 19th Sept, 2014

GV Films Ltd.

25TH ANNUAL REPORT 2013-14



*Dream can come true....
if you have the courage to pursue them.
- Walt Disney*

GV Films Ltd.

25TH ANNUAL REPORT 2013-14

DIRECTORS

Mr. M. V. Balgiri

Mr. Mahadevan Ganesh

Mr. A. Venkatramani

Mr. R. Gopalan

(Till 30th May, 2014)

Mr. Nambirajan Ganapati Yadav

(Till 24th July, 2014)

Mr. Vijaykumar Jain

(Till 30th May, 2014)

Mr. Sudhakar S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Susant S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Sushil S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Dinesh M. Naik

(Appointed on 24th July, 2014)

Mr. Shivkumar B. Singh

(Appointed on 24th July, 2014)

AUDITORS

R. Ravindran & Associates

(Chartered Accountants)

BANKERS

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

The Cosmos Co.Operative Bank Ltd.

REGD. OFFICE

No. 001, Damini Building,
Next to Dilkhush School,
Opp. Hotel Ramada Palm Grove,
Juhu Tara Road, Juhu,
Vile Parle (West), Mumbai - 400 049.

REGISTRAR & SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.
'Subramanian Building' No.1,
Club House Road, Chennai - 600 002.

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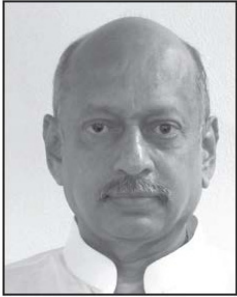
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ANNUAL GENERAL MEETING

Date & Time: Tuesday, 30th September 2014 at 03.30 p.m.

Venue: MIG Cricket Club, Galaxy Hall, MIG Colony,
Near Mhada, Bandra (E), Mumbai – 400 051.

Chairman's Statement



Dear Shareholders,

It is my Proud Privilege to welcome you on behalf of the Board of Directors to this 25th Annual General Meeting of your Company.

The gloom of the past has faded away and Indian economy is already showing signs of recovery and it appears good days are here again. Film Industry is no exception to this positive mood swing. A better economy is always a better breeding ground for more Cinemas.

We at GV too are enthralled by this prospect. We are on the threshold of ushering revolutionary changes in our entity. I will unveil these plans at the opportune time.

This being our **SILVER JUBILEE YEAR**, I personally assure all our Shareholders that I will put forth all my teams' efforts in bringing your Company a world class and professionally managed Entity within a short span of time.

I take this opportunity to convey my personal gratitude for the confidence that you have reposed in your Company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us in accelerating the growth and progress of your Company.

My sincere thanks to all our Shareholders, Employees, Bankers, State and Central Government Depts./Corporations, all persons/entities connected in our day to day operations and society at large for helping us to reach this far.

I am confident that the company will take all its move for achieving greater heights in the future and meet the expectation of all the stake holders with the dedicated performance at all levels.

Once again I appeal to our shareholders to support me in bringing up your Company to new heights.

M V BALAGIRI

(Chairman & Managing Director)

NOTICE

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the members of GV Films Limited will be held on Tuesday, 30th September, 2014 at 3.30 P.M. at MIG cricket Club, Galaxy hall, MIG colony ,Near Mhada, Bandra (e),Mumbai 400 051, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and cash flow statement including Consolidated Financial Statement for the year ended on that date, together with Director's Report and Auditor's Report thereon.
2. Mr. A Venkatramani, who retires by rotation and being eligible for re-appointment, has not considered for reappointment in view of his disqualification under Section 164 of the Company's Act, 2013.
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regards to consider and thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT" pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and allied rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. R. Ravindran & Associates, Chartered Accountants (Firm Registration No.003222S) be and are hereby appointed as Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Eighth (28th) AGM to be held in the year 2017 (subject to ratification of their appointment at every AGM)

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix the remuneration and other terms & conditions of re-appointment of the Auditors."

SPECIAL BUSINESS

4. APPOINTMENT OF MR. SUDHAKAR MALLAPA SHETTY AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with Section 149 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Sudhakar Mallapa Shetty (DIN: 00726160), who was appointed as an Additional Director of the Company effective from October 1, 2013, under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose **Mr. Sudhakar Mallapa Shetty** as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."

5. APPOINTMENT OF MR. SUSANT SRINIVAS SHETTY (DIN 06589826) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Susant Srinivas Shetty** a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 (Both days Inclusive) and not liable to retire by rotation."

6. APPOINTMENT OF MR. SUSHIL SHRINIVAS SHETTY (DIN 06589840) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr.Susil Shrinivas Shetty** a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 (Both days Inclusive) and not liable to retire by rotation."

7. APPOINTMENT OF MR. DINESH MOHAN NAIK (DIN 01417550) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Dinesh Mohan Naik** (DIN: 01417550) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from July 24, 2014 up to July 23 2019(Both days Inclusive) and not liable to retire by rotation".

8. **APPOINTMENT OF MR. SHIVKUMAR BHANUPRATAP SINGH (DIN: 00586213) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Shivkumar Bhanupratap Singh (DIN: 00586213) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from July 24, 2014 up to July 23, 2019 (Both days Inclusive) and not liable to retire by rotation”

9. **REDUCTION OF SHARE CAPITAL OF THE COMPANY**

To consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 100 to 104 of Companies Act, 1956 and other applicable provisions of Companies Act, 2013 (including statutory modification(s) or re-enactment thereof, for the time being in force) (“the Act”) and Articles of Association of the Company adopted by the Company and subject to sanction of scheme of reduction of capital between the Company and its shareholders by the Hon’ble High Court of Judicature at Mumbai or any other appropriate authority as required under the Act, the paid-up capital of the Company be reduced from Rs. 3,68,62,78,330 divided into 36,86,27,833 equity shares of Rs. 10/- each fully paid up to Rs. 36,86,27,833 divided into 36,86,27,833 equity shares of Re. 1/- each fully paid up by adjusting against the accumulated losses of the Company.

RESOLVED FURTHER THAT Mr. M.V. Balagiri, Managing Director and/ or **Mr. Sudhakar Mallapa Shetty**, the Director of the Company be and are hereby severally/ jointly authorized to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to :

- (i) Settling, finalizing, executing and filing of all necessary documents including the applications, petition, affidavits, pleadings and such other documents as may be required to be filed with the Hon'ble High Court of Judicature at Mumbai, and/or any other authority and such further deeds, documents and writings as may be necessary in this regard;
- (ii) Making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required;
- (iii) Making such disclosures to the government or regulatory authorities as may be required; and
- (iv) Affixing the Common Seal of the Company in accordance with the provisions of Articles of Association of the Company on any document in connection with the above resolution, as may be required; and
- (v) Settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as they may, in their absolute discretion, deem fit.”

RESOLVED FURTHER THAT consequential amendments be made in the capital clause V of the Memorandum of Association of the Company as per section 13 of the Companies Act, 2013 after the said reduction becomes operative and effective.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the board deems fit. “

10. **ALTERATION OF CAPITAL CLAUSE CONTAINED IN THE MEMORANDUM OF ASSOCIATION**

To consider and if thought fit to pass, with or without modification(s) the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 read with 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V " The Authorized Share Capital of the Company is Rs. 20,00,00,00,000 (Rupees Two Thousand Crores only) divided into 20,00,00,00,000 (Two Thousand Crore) Equity Shares of Re. 1/- (Rupee One) each ."

11. **ADOPTION OF NEW ARTICLES OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution

" **RESOLVED THAT** pursuant to section 14 and other applicable provisions, if any, of the Companies Act, 2013 and allied rules there under (including any statutory modification(s), or re-enactment(s) thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the board deems fit. “

12. **APPROVING BORROWING LIMITS OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

“RESOLVED THAT in supersession of the all the earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, the consent of the

Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as (the "**Board**") which term shall be deemed to include any Committee thereof) for borrowing, from time to time, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board at any time shall not exceed Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores Only)."

"**RESOLVED FURTHER THAT** the Board be and is here by authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution"

13. **CREATION OF CHARGE ON THE ASSETS OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

"**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as (the "**Board**") which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs 1500 Crores (Rupees One Thousand Five Hundred Crores Only)."

RESOLVED FURTHER THAT the Board be and is here by authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution"

14. **LOANS AND INVESTMENTS BY THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

"**RESOLVED THAT** subject to Section 186 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, any amendments/enactments /re-enactments thereof as are applicable, and in addition to the amounts already invested/loans made or guarantees/security provided by the Company, consent be and is hereby accorded for the Company to do the following transactions :

- i. to acquire by way of subscription, purchase or otherwise the securities of any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s), and/or
- ii. to give loans to any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s), and/or
- iii. to give guarantees or provide security in connection with loan(s) given by any other person to any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s),
upto a limit of Rs. 500 crores (Rupees Five Hundred Crores only) for such investments/loans/guarantees, notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the Company and securities so far provided and to be provided, exceeds the limits/will exceed the limits laid down by the Act read with the Rules thereunder."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned transactions including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer, sale, recall, renewal, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits, take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR GV FILMS LIMITED
Sd/-
M.V.Balagiri
MANAGING DIRECTOR**

Place: Mumbai

Date: 24th July, 2014

Notes

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.
A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH OTHER PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
- b) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- c) Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, (earlier section 173 of the Companies Act, 1956) in respect of Special Business set out above is annexed hereto.
- d) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.
- e) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- f) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by coordinating RTA of the Company i.e. M/s Cameo Corporate Services Ltd. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- g) Register of Members & Share Transfer Books of the Company will remain closed from **Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive)** for the purpose of 25th Annual General Meeting.
- h) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting, except Saturdays and Sundays, between 11.00 pm and 1.00 pm.

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR GV FILMS LIMITED
Sd/-
M.V.Balagiri
MANAGING DIRECTOR**

Place: Mumbai

Date: 24th July, 2014

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (EARLIER SECTION 173
OF THE COMPANIES ACT, 1956) OF THE COMPANIES ACT, 2013**

The following statement sets out all the material facts relating to the special business mentioned in the accompanying Notice dated 24th July 2014 and shall be taken as forming part of the notice.

Item No-4

At the Board Meeting held on 1st October 2013, the Board of Directors of the company has appointed Mr.Sudhakar Mallapa Shetty as an Additional Director of the company.Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Sudhakar Mallapa Shetty holds the office till the date of ensuing Annual General Meeting and appropriate notice has been received from the member proposing appointment of Mr. Sudhakar Mallapa Shetty as director of the Company. Requisite Consent has been received from Mr. Sudhakar Mallapa Shetty pursuant to provisions of section 152 of the Companies Act, 2013.

In view of the above, the Board requested to the members to pass the above resolutions slated in point No. 4 of the notice as ordinary resolutions for complying respective provisions of the Companies act, 2013 and rule made there under regarding appointment of Directors retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr.Sudhakar Mallapa Shetty for his appointment, are concerned or interested, financially or otherwise, in this Resolution.

Item No-5, 6, 7 & 8

In accordance with the relevant provisions of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. Susant Srinivas Shetty, Mr. Sushil Shrinivas Shetty, Mr. Dinesh Mohan Naik and Mr. Shivkumar Bhanupratap Singh were appointed as Additional Independent Directors. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is in accordance with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In transition to the Companies Act, 2013, which is effective on 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is in accordance with the provisions of Companies Act, 2013.

In view of the above, the Board requested to the members to pass the above resolutions slated in point No. 5, 6,7 and 8 of the notice as ordinary resolutions for complying respective provisions of the Companies act, 2013 and rule made there under regarding appointment of Independent Directors.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

Item No-9

The Company has been incurring losses for past couple of years due to business Loss and inadequate working capital facilities. The accumulated losses of the Company as on 31st March 2013 which amounted to Rs. 3,21,56,07,357/- has almost wiped off the entire net worth of the Company. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme of reduction would enable the company to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business and thereby increase its net worth to enhance the stakeholders' value.

The accumulated losses of Rs. 3,21,56,07,357/- of the Company is sought to be set off against the paid up capital of the Company. Therefore the issued, subscribed and paid up share capital of the Company shall be reduced by cancelling a sum of Rs.9/- from every paid up share of Rs.10/- and thereafter issuing 1 equity share of the face value of Re.1/- fully paid-up for every 1 equity share of the face value of Rs.10/- each fully paid-up held by them in the Company.

Hence, the Subscribed and Paid-up Share Capital of the Company shall stand reduced from Rs. 3,68,62,78,330 divided into 36,86,27,833 fully paid up Equity Shares of Rs. 10/-(Rupees Ten Only) each, to Rs. 36,86,27,833 divided into 36,86,27,833 Equity Shares of Re.1/-(Rupee One Only).

In this connection, in order to give effect to the proposed reduction of capital as part of the scheme, approval of shareholders is required in terms of sections 100 to 104 of Companies Act, 1956 and other applicable provisions of the Companies Act, 2013,

before the Company files a petition to obtain the sanction of the High Court of Judicature at Mumbai or any other appropriate authority as required under the Act for Scheme.

The proposed restructuring of capital will not cause any prejudice either to the shareholders or to the creditors of the Company. The proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in ordinary course of business.

Pre and post reduction shareholding of the Company

Particulars	Pre Reduction Shareholding		Post Reduction Shareholding	
	No. of shares held (Face Value- Rs. 10/- each)	% of total shareholding	No. of shares held (Face Value- Re. 1/- each)	% of total shareholding
Promoter	0	0	0	0
Public	36,86,27,833	100	36,86,27,833	100
Total	36,86,27,833	100	36,86,27,833	100

Note:

1. The Company has obtained the approval under clause 24(f) of the Listing Agreement from Bombay Stock Exchange, vide their letter no. **DCS/AMAL/SJ/24(f)/31/2014-15** dated **May 2, 2014**. The copy of the in-principle approval is annexed as Annexure A.
2. An undertaking certified by the auditor stating the reasons for non-applicability of shareholders' approval of Scheme of Reduction of Capital of GV Films Limited, through e-voting and postal ballot is annexed as Annexure B.
3. The resolution is subject to the confirmation of the Scheme of reduction of capital of the Company by the Hon'ble High Court of Judicature at Mumbai and/or appropriate authority/(ies) as may be applicable.
4. The members are requested to read the entire text of the scheme to get acquainted to the provisions thereof.
5. Your directors recommend the approval of the special resolution.

Item No-10

Subject to approval of the Statutory Authorities Read with Provisions of Section 13 read with 61 and other applicable provisions of the Companies Act, 2013 (Including any amendment thereto or re-enactment thereof) and the rules framed there under, consent of the Members accorded to amend the capital clause of the Company for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V " The Authorized Share Capital of the Company is Rs. 20,00,00,00,000 (Rupees Two Thousand Crores only) divided into 20,00,00,00,000 (Two Thousand Crore) Equity Shares of Re. 1/- (Rupee One) each."

Since the issued, subscribed and paid up share capital of the Company shall be reduced by cancelling a sum of Rs.9/- from every paid up share of Rs.10/- and thereafter issuing 1 equity share of the face value of Re.1/- fully paid-up for every 1 equity share of the face value of Rs.10/- each fully paid-up held by them in the Company pursuant to scheme of reduction of between the Company and its shareholders.

Item No-11

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated including amendments made there after, under the Companies Act, 1956. The Company proposes to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association of the Company limited by shares.

Item No-12& 13

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

To renew the fresh limit of Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores) under section 180(1)(c) and 180(1)(a) of the Companies Act,2013 the Board recommends shareholders for their approval.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 12 and 13 of the accompanying Notice for the approval of the Members of the Company by special Resolutions.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these Resolutions.

Item No-14

The Company operates some of its businesses through subsidiaries, joint ventures and associate companies. The funding obligations of such subsidiaries, joint ventures and associate companies are funded primarily out of the Company's cashflows. Any such infusion of funds by the Company into its subsidiary(ies)/joint venture(s)/associate company(ies) or corporate guarantee given by the Company to secure the borrowings made by the subsidiary(ies)/joint venture(s)/associate company(ies), are done by means of a resolution passed by the Board of Directors or the Investment Committee of the Board which does not require shareholder approval as per the provisions of the Section 186 of the Companies Act, 2013.

Section 186 (3) provides that where the giving of any loan or guarantee or providing any security or the acquisition under sub-section (2) exceeds the limits specified therein, prior approval of the shareholders by means of passing a Special Resolution shall be necessary.

The Company has in the past, provided such collateral/support and it is a part of the objects of the Company and the Board has previously approved such transactions. To take advantage of growth prospects that may arise in the future and as a measure of prudence, the Company proposes to have the approval of shareholders so that it would be in a position to encash the market opportunities and ensure that its funding obligations to its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s) are met on time.

The Directors commend the Resolution at Item No. 14 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these Resolutions.

Place: Mumbai

Date: 24th July, 2014

ANNEXURE

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY

Name of Directors	Mr. Sudhhakar Mallappa Shetty	Mr. Susant Srinivas Shetty	Mr. Sushil Shrinivas Shetty	Mr. Dinesh Mohan Naik	Mr. Shivkumar Bhanupratap Singh
Date of Birth	18/04/1961	06/01/1990	22/09/1986	27/06/1963	23/11/1974
Date of Appointment	01/10/2013	01/10/2013	01/10/2013	24/07/2014	24/07/2014
Qualifications	S.S.C	B.Com	B.Com, M.B.A.	H.S.C.	B.Com
Expertise	Leading Developer of Mumbai	Construction Business	Operating Marathi News Channel	Decades experience in Construction Company	Running Intelligence and Security business
Directorship held in other Public Companies (excluding foreign and section 25 companies)	None	None	None	None	None
Membership of committees in other public companies (includes only Audit and Stakeholders Relationship Committee)	NA	NA	NA	NA	NA
Shareholding of Directors	NIL	NIL	NIL	NIL	NIL

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s Cameo Corporate Services Ltd. Email: cameo@cameoindia.com

**DRAFT SCHEME OF REDUCTION OF CAPITAL
BETWEEN
GV FILMS LIMITED
AND
ITS SHAREHOLDERS**

PREAMBLE

A. GV FILMS LIMITED (hereinafter referred to as **GV FILMS** or Company), a listed public limited company having registered office at No 001, Damini Building, Next to Dilkush School, Opp Hotel Ramada Palm Grove, Juhu Tara Road, Juhu Mumbai 400 049 and is engaged inter alia in the business of production, distribution, exhibition of feature films, production of teleserials, delivery of cinema through new media technologies and related activities.

The Company also has a library of about 14000 hollywood, Bollywood, Tollywood, and other Regional language films in its webcasting division. However over a period of time, mainly due to the non exploitation of the Webcasting rights of films, no income has been generated from these assets, resulting in impairment of assets as required under the Indian Accounting Standards, and also as per the qualification of the Statutory Auditors of the Company.

As on March 31,2013, the Company has a paid up capital of Rs 368.63 crores and a negative reserves and surplus of Rs 321.56 crs leaving a networth of Rs 47.07 crores.

B. Rationale for the Scheme of Arrangement

(a) In view of the adverse remark of the Statutory Auditors of the Company on the Financial Accounts of the Company for the year ended March 31, 2013 and supported by the observations of the Audit Committee of the Company, as a measure of investor protection the Company appointed external valuers, namely M/s V Nair & Associates, Chartered Accountants, B/48, Gurudev Apartments, Chembur Naka, Mumbai-400071_ to determine the value of certain assets of the Company. Moreover, in the Audited financial accounts of the Company for the financial year ended on March 31, 2013 which was approved by the Shareholders of the Company on September 30, 2013, the impairment of assets as required under Accounting Standard 28 of the Indian Accounting standards issued by the Institute of Chartered Accountants of India have already been factored. The paid up Share Capital of the Company as on March 31, 2013 is Rs. 368,62,78,330/- (Rupees Three hundred sixty eight Crores sixty two lakhs seventy eight thousand three hundred thirty only) consisting of 36,86,27,833 equity shares of Rs.10/- each And the Reserves and Surplus of the Company after providing for the impairment of the assets stood at a negative of Rs. 321,56,07,357 resulting in a networth of Rs. 47,06,70,973/-.

(b) This has given rise to the need to re-adjust the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts. The Company has evaluated the effect of this upon the Company's functioning and has carefully examined different options available to the Company. After detailed deliberations, the Board of Directors of the Company is of the view that reduction of share capital in accordance with Section 100 of the Companies Act, 1956 is the only practical and economically efficient legal option available to the Company. In order to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the Company, in accordance with Section 100 of the Companies Act, 1956.

C. Purpose of the Scheme

The purpose of the Scheme is to reorganize the Capital Structure of the Company so as to represent the realistic value for the Shares of the Company.

This scheme of arrangement is between GV FILMS, and its shareholders.

D. The Scheme is divided into the following parts:

Part I, which deals with definitions;

Part II, which deals with Reduction of Capital and reorganization of capital;

Part III which deals with the general terms and conditions applicable to the entire Scheme.

Whereas, This Scheme is in the nature of reduction and change in face value of equity shares. To set – off the share premium, Reserves & Surplus against the residual losses and to some extent the capital leading to the reconstruction of the company.

PART - I

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- A. **“ACT”** means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;
- B. **“APPOINTED DATE”** means April 01, 2013 or such other date as may be approved by the Hon'ble High Court of Judicature at Mumbai;
- C. **“CAPITAL LOSS”** means the accumulated losses available to **GV Films** to be set off against its future profits;
- D. **“COURT” OR “HIGH COURT”** means the High Court of Judicature at Mumbai, and shall include the National Company Law Tribunal as applicable;
- E. **“EFFECTIVE DATE”** means last date on which the certified copy(ies) of the Order(s) of the Hon'ble High Court of Judicature at Mumbai sanctioning this Scheme of Arrangement is/are filed with the Registrar of Companies, Mumbai, Maharashtra, by GV FILMS. References in this Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the 'Effective Date'.
- F. **“ENCUMBRANCE”** means any options, pledge, mortgage, lien, security, interest, claim, charge, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever.
- G. **“FCCBs”** means Foreign Currency Convertible Bonds issued by GV FILMS pursuant to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, regulations of the Reserve Bank of India and other applicable law.
- H. **“GOVERNMENTAL AUTHORITY”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- I. **“GV FILMS”** means **GV FILMS LIMITED**, an existing company under the act and having its registered office at No 001, Damini Building, Next to Dilkush School, Opp Hotel Ramada Palm Grove, Juhu Tara Road, Juhu Mumbai 400 049.
- J. **“RECORD DATE”** means the date(s) to be decided by the Board of Directors of the Company for the purpose of giving effect to the orders of the Honourable High Court sanctioning the Scheme.
- K. **“THIS SCHEME” or “THE SCHEME” or “SCHEME”** means this Scheme of Arrangement for reconstruction / restructuring of capital as provided herein in its present form or with any modification(s) approved or imposed or directed by the any of the Regulatory Authorities and may be approved by the Hon'ble High Court of Judicature at Mumbai.
- L. **“STOCK EXCHANGE”** means the stock exchanges on which the shares of GV FILMS are listed;
- M. **“SHAREHOLDER”** The **“Shareholder”** and **“Member”** are used to denote the same meaning and are used interchangeably;

All terms and words not defined in the scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securites Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Agreement and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

SECTION I:

INCORPORATION, OBJECTS AND CAPITAL STRUCTURE

1. INCORPORATION

GV Films Limited was incorporated on March 7, 1989 vide Certificate of Incorporation No. 18-16991 of 1989. GV Films Limited obtained the Certificate for Commencement of Business on April 15, 1989.

2. MAIN OBJECTS

- i. To carry on business as film producers (sound and/or silent), hippodrome & circus proprietors of cinema houses, theatres, concert halls and picture places and studio and to provide for musical, dramatic and athletic performances

for amusements and/or entertainment for both private and public.

- ii. To carry on business as producers of feature films; and/or documentary films (Indian and English) in all its branches and through all processes that may be discovered and negative holders of documentary and feature films of all languages.
- iii. To make, trade in, act as agents for (wholesale and/or retail) and produce cinematographic films (silent & talkie) and deal in sound producing, synchronized, stereoscopic, 3-D, coloured, bioscopic, cinemascope and Cinema pictures and to deal in and/or act as agents for blank and/or pre recorded videos and/or audio cassettes.
- iv. To carry on business as proprietors and/or lessees of film studios, erecting and running studios, film laboratories, cinema halls, theatres, television studios for exhibiting films and for musical performances and to carry on business as owners of touring cinemas and theatres and give such touring cinemas, studios or theatres either on lease or on rent.
- v. To carry on business as film publicity agents, designers, engravers for film publicity materials and as printers for film publicity and photography, either alone or in partnership with individuals and/or bodies.
- vi. To lend and/or supply artists, artistic talents and technicians to producers of cinematograph films and for that purpose to employ artists as paid servants of the company to be readily available for such business.
- vii. To purchase, own, construct, take on lease or otherwise acquire lands, buildings, premises resorts or any other property to conduct the business of operating, managing, building or otherwise dealing in hotels, motels, lodges, hostels, resorts, club houses, health centres, entertainment township, refreshment rooms, bars, pubs, discos, eateries, food parlour, ice cream parlour, bakeries, fliqh kitchens and catering services or otherwise enter into any arrangement by way of turnkey projects involving information, knowledge and expertise and so much undertake for and on behalf client to set up any projects in or outside India related to hotel management, catering technology and other hospitality related areas.
- viii. To purchase, own acquire or take on lease TV channels, radio a TV Stations in or outside India, produce Tele serials and exhibit movies or serials or any film on Satellite, Internet, cablenet or any other means of communications.

3. PRESENT SHARE CAPITAL STRUCTURE

The present share capital structure of the Company as on 31.03.2013 is as follows:

	Rs
Authorised	
200,00,00,000 Equity Shares of Rs. 10 each	20,00,00,00,000
Issued	
36,86,27,833 Equity Shares of Rs. 10 each fully paid-up	368,62,78,330
Subscribed and Paid-up	
36,86,27,833 Equity Shares of Rs. 10 each fully paid-up including equity shares represented by GDRs	368,62,78,330
Securities Premium and Reserves	
Securities Premium Account	
Other Reserves	86,13,88,700
7,15,33,466	
Profit & Loss Account	(414,85,29,523)

SECTION II:

REDUCTION AND REORGANISATION OF CAPITAL AND SECURITIES PREMIUM ACCOUNT OF GV FILMS

1. Notwithstanding anything contained in Section 78, 100 to 104 of the Companies Act 1956:
 - (a) Upon the Scheme coming into effect from the Appointed Date;
 - i) The Subscribed and Paid up Capital & Securities Premium Account of GV FILMS shall be reduced by Rs. 414,85,29,523 being the Accumulated Losses.
 - ii) Upon the coming into effect of the scheme, the share capital of the Company will be reduced and reorganized by reducing the paid up value of the equity shares of GV FILMS from Rs.10/- per equity share to Re.1/-per equity share and the share capital, securities premium and other reserves and surplus account of company shall stand as follows.
 1. Capital Account — Rs. 36,86,27,833
 2. Securities Premium Account — Rs. Nil
 3. Reserves and Surplus — Rs. 10,20,43,140
 - iii) In case any equity shareholders' holding in **GV FILMS** is such that the equity shareholders become entitled to a fraction of an equity share, the Board of Directors of GV FILMS shall be empowered to consolidate all such fractional balances into full shares and the resultant share(s) shall be issued and allotted to a director or officer of GV FILMS to be held in trust on behalf of all such members who held such fractional balances. Such director or officer of **GV FILMS**, who is allotted such consolidated shares, shall be bound by the express understanding to cause the sale of such shares by a Committee of Directors, acting in trust on behalf of the members entitled to the fractional balances. Such sale of shares in the market shall be by the Committee of Directors at such time(s), at such price(s) and to such person or persons, as the Committee of Directors may deem fit and the net sale proceeds deposited with **GV FILMS** shall be distributed by **GV FILMS** to the members (as on the Record Date) in proportion to their respective fractional balances, after deduction there from the expenses incurred in connection with the sale.
 - iv) **GV FILMS**, acting through the Committee of Directors shall be empowered to advise the depository participants of the equity shareholders in dematerialized form, on the Record Date, the information of shareholding arising out of reorganization of capital pursuant to this Scheme; for substitution thereof or in lieu of the certificates of the Equity Shares held by them before such reorganization of capital.
 - v) Those Equity shareholders of **GV FILMS** who continue to hold their Equity Shares in physical form as on the Record Date shall be issued fresh share certificates consequent upon the reorganization, of the Capital. Their original share certificates shall be deemed to be cancelled and non-est and not tradable on any stock exchange or otherwise from and after the Record Date. The new Share Certificates of **GV FILMS** issued pursuant to this Scheme shall be delivered to such equity shareholders who hold their Equity Shares in physical form by Registered Post, irrespective of whether such equity shareholders surrender their old share certificates or not. The Stock Exchanges shall also be intimated, on the Record Date of the non-tradability of the original share certificates so that they can intimate **GV FILMS** members by public notice displayed on the Notice Board and through electronic means.
 - vi)
 - a. Upon the scheme coming into effect, with the above reduction of share capital of the **GV FILMS** in accordance with above clauses, **36,86,27,833** equity shares having a face value of Rs.10 each shall be reorganised into **36,86,27,833** equity shares of Re.1/-each fully paid-up. Accordingly, GV FILMS shall issue, to its shareholders, 1 equity share of the face value of Re.1/- fully paid-up for every 1 equity share of the face value of Rs.10/- each fully paid-up held by them in the Company.
 - b. The reduction in the share capital account and securities premium account of the company shall be effected as an integral part of the Scheme upon the order of the Honourable High Court sanctioning the scheme coming into effect notwithstanding anything contained in the provisions of sections 78 and sections 100 to 104 of the Companies Act 1956 and such an order shall be deemed to be also the order under section 102 of the Act for the purpose of confirming the reduction.
 - c. The provisions of this Section shall operate notwithstanding anything to the contrary in this Scheme.

SECTION III:

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

The scheme confirms to all rules, regulations, guidelines etc. framed and issued by Securities Exchange Board of India pursuant to Securities and Exchange Board of India Act, 1992 and Securities Contracts Regulation Act, 1956.

1 EFFECT OF THE SCHEME

1.1 Upon sanction of this Scheme, the authorised share capital of the Company shall automatically converted without any further act, instrument or deed on the part of the Company into Face value of 1 per shares and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 16, 31 and 94 and 394 and other applicable provisions of the Act, as the case may be.

1.2 Consequent upon the restructuring, the authorised share capital of the Company will be Rs. 20,00,00,00,000/- (Rupees Two Thousand Crores only) comprising of 20,00,00,00,000 (Two Thousand Crores) Equity Shares of Rs. 1/- each. (Rupee One each)

It is clarified that the approval of the members of the Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Company as may be required under the Act.

1.3 The proposed reconstruction / restructuring of capital by reduction of paid up capital against accumulated losses . shall be reflected in the books of Accounts of the Company, on the effective date, in the following manner.

Particulars	Prior Capital to the Scheme of Arrangement as on 31st March 2013 (Audited)	Reduction of capital against "accumulated loss" as per Scheme
Number of Equity Shares	36,86,27,833	36,86,27,833
Value of each share	10	1
Total paid up share Capital	3,68,62,78,330	36,86,27,833
Reserve & Surplus	(321,56,07,357)	10,20,43,140

1.4. The share holding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Particulars	Prior Holding before reduction of share capital and preferential issue of equity shares		Holding after reduction of share capital	
	No. of Shares of 10/- each	% of Total Share Capital	No. of Shares of 1/- each	% of Total Share Capital
Promoter	0	0	0	0
Public	36,86,27,833	100	36,86,27,833	100
Total	36,86,27,833	100	36,86,27,833	100

1.5 The Scheme, which is only reduction of capital of the Company and it does not envisage transfer or vesting of any properties and / or liabilities to or in favour of the Company.

1.6 The Scheme does not involve any conveyance of transfer of any property and consequently, the order of the Hon'ble High Court of Bombay approving the Scheme will not attract any stamp duty, under the Mumbai Stamp Act, in this regard.

The Company shall make all applications / petitions as may be required under Sections 100 to 103 read with Section 94 and other applicable provisions of the Act to the High Court of Judicature of Maharashtra at Mumbai, for obtaining the sanction of the Court of this Scheme of Reduction of capital, under Sections 100 to 103 and other Applicable Sections of the Act and for such orders for carrying this Scheme into effect.

1.7 CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

(a) the Scheme being agreed to by the respective requisite majorities of members of the Company as required

under the Act and the requisite sanction and orders of the High Court of Judicature at Mumbai or of such other authority having jurisdiction under law, being obtained;

- (b) the requisite sanctions and approvals including but not limited to in principle approvals, sanctions of any Governmental Authority, as may be required by law in respect of this scheme being obtained; and
- (c) the certified copy of the above order of the High Court of Judicature at, Mumbai sanctioning this scheme being filed with the Registrar of Companies, Mumbai.

1.8 COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, levies, duties, and expenses in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by the Company and all of the above costs (including stamp duty, if any) shall be treated as costs relating to the scheme.

1.9 EFFECT OF NON-APPROVALS

- (a) In the event of this Scheme failing to take effect within 12 months of first filing with the High Court, or by such later date as may be decided by the Board of Directors of the Company, shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or unsecured lenders, creditors or employees or any other person..
- (b) If any Part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part.

1.10 INDEMNITY:

In the event of non fulfillment of any or all obligations under this scheme by any party towards any other party, inter-se or to third parties, the non performance of which will place any other party under any obligation, then the defaulting party will indemnify all costs and interest to such other affected party.

1.11 IMPACT OF THE SCHEME ON EMPLOYEES/WORKERS

The scheme shall not have any adverse impact on the employees and workers of the company and they would in fact be generally benefitted as the infusion of fresh funds into the company would help it to deploy the same in its business and thereby improve its financial position.

1.12 IMPACT OF THE SCHEME ON CREDITORS/BANKS/FINANCIAL INSTITUTIONS

The scheme of reduction of capital will not affect any of the company's creditors/Banks/Financial Institutions. The scheme does not provide any compromise or arrangement with the creditors and shareholders except as provided in the scheme, The Scheme will help the revival of the Company which will be in the interest of the employees, shareholders, national and state exchequer.

1.13 LEGAL PROCEEDING

All legal or other proceeding by or against the Company pending and/arising, on or before the Effective date relating to the said Company including their property, rights, powers, liabilities, debts, obligations and duties of the company shall be continued and be enforced by or against Company as the case may be.

1.14 ACCOUNTING TREATMENT

- a. The Company will comply with all relevant accounting policies and accounting standards as regards accounting for the reduction of capital and writing off of the losses.
- b. Share Premium amount of Rs. 86,13,88,700/-(Rupees Eighty Six Crores Thirteen Lacs Eightyeight Thousand Seven Hundred Only) and written off share capital amount to the extent of Rs.331,76,50,497/-(Rupees Three Hundred Thirty One Crores Seventysix Lacs Thirtythree Thousand Four Hundred Sixtysix Only) will be utilized to write off the losses. The Remaining Balances will be General Reserve of Rs. 10,20,43,140/- (Rupee Ten crores twenty lacs forty three thousand one hundred forty only) The Company will pass appropriate entries for all notional adjustment in a prudent and commercially acceptable manner.

ANNEXURE A

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
CIN NO:U67120MH2005PLC155188



DCS/AMAL/SJ/24(f)/31/2014-15

May 2, 2014

The Company Secretary
GV Films Ltd
001, Damini, Next to Dilkhush School,
Opp. Ramda Palm Grove,
Juhu Tara Road,
Juhu,
Vile Parle(W),
Mumbai- 400 049

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement involving reduction of share capital of GV Films Limited.

We are in receipt of draft Scheme of Arrangement involving reduction of share capital of the company.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated April 30, 2014 given the following comment(s) on the draft scheme of arrangement:


- ***The company shall duly comply with various provisions of the Circulars.***


Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Bhuvana Sriram
Deputy Manager


Pooja Sanghvi
Asst. Manager

ANNEXURE B



R. Ravindran & Associates
CHARTERED ACCOUNTANTS

To,
Department of Listing Operations
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Clause 24(f) of the listing agreement for the proposed Scheme of Reduction of Capital between GV Films Limited and its Shareholders.

UNDERTAKING

With reference to para 15.6 (a) and para 15.6 (b) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, we hereby undertake that:

- i) The proposed Scheme of arrangement is for reduction of capital of GV Films Limited.
- ii) Additional shares are not allotted to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of GV Films Limited pursuant to Scheme of reduction of capital.
- iii) The Scheme of reduction of capital does not involve GV Films Limited and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter Group, Subsidiary/(s) of Promoter/Promoter Group.
- iv) There is no payment of consideration to any shareholders, Promoter/ Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter Group, Subsidiary/(s) of Promoter/Promoter Group pursuant to Scheme of reduction.

Considering the aforementioned reasons, Shareholders' approval of Scheme of Reduction of Capital of GV Films Limited, through e-voting and postal ballot is not applicable.

For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

R. Ravindran
Proprietor
M. No. 023829

Chennai, 19th December 2013



DIRECTORS' REPORT

To The Members of
GV Films Limited

Your Directors take pleasure in presenting 25th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

The highlights of the financial results of the company for the year ended 31.03.2014 as compared with the previous year are as follows:

(Rupees in lakhs)

PARTICULARS	For the year ended 31.03.2014	For the year ended 31.03.2013
Net Turn Over	562.16	550.86
Profit before Interest, Depreciation & Tax	(436.14)	(31 343.86)
Less: Finance costs	39.88	38.64
Profit/(Loss) before Depreciation & Tax	(476.02)	(31 382.50)
Less: Depreciation & Amortization expenses	11.53	15.93
Profit/(Loss) before Taxation	(487.55)	(31 398.43)
Less: Provision for Taxation		
Wealth Tax		
Deferred Tax	Nil	Nil
Profit/(Loss) after Tax	(487.55)	(31 398.43)
Balance brought forward	(41 485.30)	(10 086.87)
Provision for Dividend and Dividend tax	Nil	Nil
Transfer from General Reserve	Nil	Nil
Balance carried forward to next year	(41 972.84)	(41 485.30)

Management of the Company under the direction of your Board of Director continued to achieve the targets of cutting down the cost of operations and bettering the efficiency by using better alternated resources/means and methods of operation..

2. PERFORMANCE REVIEW

During the year of operation, your company has achieved a net turnover of Rs.562.16 lacs, as against the previous year net turnover of Rs. 550.86 lacs. However the company has posted a net loss of Rs.487.55 lacs. The main attributing reasons for the said loss were Provision for payment of interest on FCCBs and Exchange fluctuation loss due to notional value calculation of outstanding FCCBs amount.

3. DIVIDEND

Keeping in view of the accumulated losses, your Directors regret their inability to declare any dividend.

4. SUBSIDIARY COMPANY

The Company has GV Studio City Limited one Wholly owned subsidiary Company. GV Studio City Limited is into the business of providing the blends of miniplex and food court. The key value proposition is to provide leisure and entertainment experience at the affordable prices.

5. BOARD OF DIRECTORS

Mr. R. Gopalan, Mr. Vijay Kumar Jain and Mr. Nambirajan Ganapathy Yadav Directors of the company, resigned from the Board during the year due to their other commitments. The Board places on record its appreciation of the service rendered by Mr. R. Gopalan, Mr. Vijay Kumar Jain and Mr. Nambirajan Ganapathy Yadav during their tenure as Directors of the Company

In accordance with the provisions of the Companies Act, 1956, Mr. A. Venkatramani Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible for reappointment, but not considered for reappointment in view of the disqualification under Section 164 of the Company's Act, 2013.

During the year Mr. Sudhakar Mallapa Shetty has been inducted as Additional Director on the Board who shall hold office up to the date of the ensuing Annual General Meeting.

Your Directors have recommended his reappointment as a Director of the company retiring by rotation.

Mr. Susant Srinivas Shetty, Mr. Sushil Shrinivas Shetty, Mr. Dinesh Mohan Naik & Mr. Shivkumar Banupratap Singh are appointed as Independent Directors of the Company for a term of 5 years, not liable to retire by rotation in the ensuing AGM as per respective provisions and Schedule-IV of Companies Act, 2013.

6. FINANCIAL STATEMENTS

Though a number of provisions of the new Companies Act, 2013 have come into force effective 1st April, 2014, the Ministry of Corporate Affairs, Government of India vide its General Circular 08/2014 no. 1/19/2013-V dated 4th April, 2014 has clarified that for the financial year, 2013-14, preparation of the Financial Statements and documents to be attached thereto, auditors' report and Board's report shall be governed by the provisions and schedules of the Companies Act, 1956. Accordingly, the Financial Statements and other documents for the financial year, 2013-14 have been prepared in accordance with the relevant provisions/ Schedules/Rules of the Companies Act, 1956.

7. REPLY TO AUDITORS QUALIFICATIONS

The observations and comments given in the Auditors' Report read together with notes to accounts are self-explanatory and do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

8. AUDITORS AND AUDITORS REPORT

M/s R. Ravindran & Associates, Chartered Accountants, the Statutory Auditors of the Company shall vacate office at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Board of Directors recommends their re-appointment as Statutory Auditors.

STATUTORY DISCLOSURES**9. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / outgo.**

The company does not have any activity relating to Conservation of energy and technology absorption. However company has taken necessary steps for conservation of energy in its day to day energy consumption.

The company does not have any foreign exchange inflow and outgo during the year.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors report that

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the

end of the financial year 31st March 2014 and of the profit of the Company for the year ended on that date.

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

11. ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

Your Company regards preservation of the environment as one of its primary social responsibilities. Accordingly, the Company places great emphasis on compliance with pollution control norms..

12. DEPOSITS

The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 for the year ended 31st March 2014.

13. PARTICULARS OF EMPLOYEES

The Company has not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 for the year ended 31st March 2014. Hence no information is required to be appended to this report in this regard.

14. HUMAN RESOURCE & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations and their commitment towards the growth of the Company.

15. STATUTORY COMPLIANCES

Your Company has complied with all the rules and regulations which are stipulated on the corporate sectors time to time by various Statutory Authorities.

16. MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis is appended herewith and forms a part of Directors' Report

17. CORPORATE GOVERNANCE

Your Company is committed to business integrity, high ethical values and professionalism in all its activities. As an essential part of this commitment, the Board of Directors supports high standards in corporate governance. It is the endeavor of the Board and the executive management of your Company to ensure that their actions are always based on principles of responsible corporate management. In your company, corporate governance is seen as an ongoing process. Your Company's Board will therefore closely follow future developments in the governance norms and will take lead in ensuring compliance with the same. A separate report on Corporate Governance along with the certificate of the Auditors, confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed.

The Ministry of Corporate Affairs has made majority of the provisions of the Companies Act, 2013 effective from 1st April, 2014. The new act is a positive step towards strengthening corporate governance regime in the country. Your Company is already in substantial compliance of most of the governance requirements provided under the new law. Your Company has proactively adopted provisions related to formation of Nomination and Remuneration Committee and Stakeholders relationship Committee, ahead of implementation of the new law. Your Company is committed to embrace the new law in letter and spirit.

18. BOARD COMMITTEES

During the period under review, the Board of Directors have reconstituted and renamed all the committees to comply the provisions of the companies act, 2013 and Listing Agreement. Accordingly the company has now Audit Committee,

Stakeholder Relationship & Grievance committee and Nomination & Remuneration Committee. All the members of these committees are independent & non executives. The details of members of these Committees are slated in Corporate Governance Report annexed to this.

19. SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with provisions of the various applicable corporate laws, regulations and guidelines issued by the securities exchange Board of India and other statutory authorities your Company is taking care of all the statutory compliances and submit its Reconciliation of Share Capital Audit Report for all the quarters to the Stock Exchanges.

20. INTERNAL CONTROL SYSTEMS

The internal Control System is an essential element of the Corporate Governance and plays key role in identifying, minimizing and managing risks that are significant for the Company, contributing to the safeguarding of stakeholders investments and the Company's assets.

The Company has an adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statues, codes of conducts and corporate policies are duly complied with.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by Management.

21. CONSOLIDATED FINANCIAL STATEMENT

As per Section 212 of the Companies Act, 1956, we are required to attach the Balance Sheet, Statement of Profit and Loss and other documents of our subsidiary.

The Ministry of Corporate Affairs, Government of India (MCA) vide its Circular No. 2/2011 dated 08.02.2011, has exempted companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2013-14 contains such financial statements of subsidiaries. A statement pursuant to section 212 of the Companies Act, 1956 for summery financial performance of Subsidiary Companies is attached to this report. The audited financial statement and related information of our subsidiaries will be made available on our website, www.gvfilms.com. The documents will also available for inspection during business hours at our registered office. The Company is presenting consolidated accounts of its subsidiary companies prepared in accordance with Indian Generally Accepted Accounting Practices (GAAP) and the same are attached herewith. There has been no change in the nature of business of the company and any of its subsidiary companies during the year.

22. ACKNOWLEDGEMENT

Your Directors express their sincere gratitude for the continued support and guidance received by the Company from the various State and Central Government Authorities and other regulatory agencies.

Your Directors would like to acknowledge the continued support and co-operation extended by Financial Institution, Banks, Government Departments, and valued customers and employees, who have contributed in the success of your Company

For and on Behalf of the Board

Place : Mumbai
Date : 24.07.2014

Sd/-
M.V.Balagiri
Managing Director

REPORT ON CORPORATE GOVERNANCE

A. Compliance on Mandatory Requirements

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

GV Films Limited continues to uphold its commitment to adhere to high standards of Corporate Governance. The Company strives to ensure transparency in all its operations, make disclosures and comply with various laws and regulations. Emphasis therefore, is on adding value to its shareholders, investors, employees, suppliers, customers and the community.

2. BOARD OF DIRECTORS

In terms of Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

Composition

Your Company has a balance Board, comprising executive and non-executive directors. The non-executive directors include independent professionals. Executive directors, includes the Chairman cum Managing Director. No director is related to any other director on the Board in terms of definition of 'relative' given under the companies Act, 1956.

Name of the Director	Status, i.e. Executive Non-Executive and Independent	Members in the Board of other public Companies	No. of membership / chairmanship of Board Committees of other Companies	
			As a Chairman	As a member
Mr. M.V.Balagiri	Executive	1	1	1
Mr. Mahadevan Ganesh	Non-Executive	1	None	1
Mr. Sudhakar Mallapa Shetty	Non-Executive	None	None	None
Mr. Sushant Srinivas Shetty	Non-Executive Independent	None	None	None
Mr. Sushil Shrinivas Shetty	Non-Executive Independent	None	None	None
Mr. Dinesh Mohan Naik	Non-Executive Independent	None	None	None
Mr. Shivkumar Bhanupratap Singh	Non-Executive Independent	None	None	None

During the financial year ended 31st March 2014, 8 Board Meeting were held, which are as follows

Sl. No.	Date	Board strength	No. of directors present
1	08-04-2013	6	5
2	30-05-2013	6	5
3	13-08-2013	6	5
4	04-09-2013	7	4
5	01-10-2013	9	6
6	13-11-2013	9	5
7	22-11-2013	9	5
8	13-02-2014	9	6

Attendance at Board Meeting and Annual general Meeting during the financial year

Director	No. of Board Meetings attended	Attendance at last AGM
Mr. M.V.Balagiri	8	Yes
Mr.Mahadevan Ganesh	1	No
Mr.Sudhakar Mallapa Shetty	2	Yes
Mr.A.Venkatramani	6	No
Mr.Nambirajan Ganapathy Yadav	5	Yes
Mr.Vijay Kumar Jain	8	Yes
Susant Srinivas Shetty	4	NA
Sushil Shrinivas Shetty	4	NA
R Gopalan	3	Yes

3. Audit Committee

Terms of reference:

The broad terms of reference of the Audit Committee are to interact with the internal and Statutory Auditors, overseeing the Company's financial reporting process and review with the management the annual financial statements before submitting to the Board and includes:

1. Appointment and fixation of remuneration payable to Auditors.
2. Review Quarterly, half yearly and annual financial results before submission to the Board
3. Review accounting policies followed by the Company
4. The adequacy and effectiveness of internal control system and procedures in the Company

Composition of the Audit Committee:

The Audit Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. Sushanth Srinivas Shetty	Chairman
2	Mr. R Gopalan	Member
3	Mr. Nambirajan Ganapathy Yadav	Member

Meeting and attendance

Details of Audit Committee Meeting during the financial Year

During the financial year ended 31st March 2014 Four meetings of Audit Committee were held, which are as follows

Sl. No.	Date	Committee strength	No. of members present
1	30/05/2013	3	3
2	13/08/2013	3	3
3	13/11/2013	3	3
4	13/02/2014	3	2

Attendance of Audit Committee Meeting during the financial year

Sl. No.	Name of the Member	No. of Meetings attended
1	R Gopalan	2
2	Vijay Kumar Jain(till Sept, 2013)	2
3	Mr. Sushil Shrinivas Shetty(From 1st Oct, 2013)	2
4	Mr. Nambirajan Ganapathy Yadav	3

The Company Secretary of the Company acted as secretary to the Committee

4. Nomination & Remuneration Committee

The Board terms of reference of the Nomination & Remuneration Committee is to fix remuneration payable to the Whole time Directors in terms of Schedule XIII of the Companies Act, 1956 and refer the same to the Board.

Composition of the Remuneration Committee:

The Nomination & Remuneration Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. Sushil Shrinivas Shetty	Chairman
2	Mr. Sudhakar M Shetty	Member
3	Mr. Nambirajan Ganapathy Yadav	Member

Details of Nomination & Remuneration Committee Meeting during the year

During the financial year ended 31st March 2014 there was no meeting of the above committee.

Remuneration Policy:

Non-Executive directors are remunerated by way of sitting fees only. The Company does not pays any remuneration by way of salary, perquisites and allowances to the Managing Director /Executive Director.

Details of Remuneration paid to the Directors are as under:

(In Rupees)

Name of the Director	Consolidated Salary (Rs.)	Perquisites and other Benefits (Rs.)	Performance Bonus/ Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. M.V.Balagiri-(CMD)	NIL	NIL	NIL	NA	NIL
Mr. Mahadevan Ganesh(NE)					NIL
Mr. Sudhakar Mallapa Shetty(NE)					NIL
Mr. A.Venkatramani(NE)					NIL
Mr. Nambirajan G. Yadav(ID)				12500	12500
Mr. Vijay Kumar Jain(NE)				20000	20000
Mr. Sushant Srinivas Shetty(ID)				10000	10000
Mr. Sushil Shrinivas Shetty(ID)				10000	10000
Mr. R Gopalan(ID)				7500	7500

Note: CMD stands for Chairman and Managing Director

ID stands for Independent Director

NE stands for Non Executive Director.

5. Stakeholders Relationship/Grievance Committee

Composition of the Committee:

The Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. Sushil Shrinivas Shetty	Chairman
2	Mr. Sudhakar M. Shetty	Member
3	Mr. Nambirajan Ganapathy Yadav	Member

The Committee met time to time whenever requires. The Committee supervises the matters relating to share transfers / redressal of Shareholders / Investors complaints.

Total number of Complaints received during the year	: 7
Number of Complaints solved	: 7
Number of complaints remaining unattended as on 31.03.2014	: Nil
Number of pending share transfer as on 31.03.2014	: Nil
Number of pending demat cases as on 31.03.2014	: Nil

The Company Secretary of the Company acted as secretary to the Committee.

6. General Body Meetings

Details of Annual General Meetings (AGMs):

AGMs	Date of AGMs	Location	Time
2010-11	20.04.2013	MIG Cricket Club, Galaxy Hall, MIG Colony ,Near Mhada, Bandra (E) Mumbai-400051	11.30am
2011-12	20.04.2013	MIG Cricket Club, Galaxy Hall, MIG Colony ,Near Mhada, Bandra (E) Mumbai-400051	1.00 pm
2012-13	30.09.2013	MIG Cricket Club, Galaxy Hall, MIG Colony ,Near Mhada, Bandra (E) Mumbai-400051	3.00 pm

1. Special resolutions passed at previous three AGMs

- AGM on 30.09.2013 for the year 2012-13
Voluntary Delisting of equity shares of the Company from Madras Stock Exchange Limited
- AGM on 20.04.2013 for the year 2011-12
None
- AGM on 20.04.2013 for the year 2010-11
None

2. Postal Ballot

During the year under review, no resolution was put through by Postal Ballot.

7. Disclosures

Materially significant related party transactions which may have potential conflict with the interests of the Company at large: **None**

(Confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference was in the ordinary course of business and on arm's length basis.)

- Details of non-compliances, penalties, and strictures by stock exchange/SEBI/Statutory Authorities on any matter related to Capital Markets, during the last year: **None**
- Pecuniary relationships or transaction with Non-Executive Directors: **None**

8. Risk Management

The Company has well- defined risk management framework in place. Risk Assessment and minimization procedures have been framed by the Company and are reviewed by the Board annually.

9. Appointment / Reappointment of Directors

Profiles of the Directors seeking appointment/ re-appointment at the AGM, pursuant to clause 49 of the Listing Agreement, have been given in the Notice of 25th Annual General Meeting.

10. Code of Conduct

The Code of conduct, as adopted by the Board of Directors, is applicable to all directors, senior management and employees of the Company. This code is derived from three interlinked fundamental principles, i.e. good corporate governance, good corporate citizenship and exemplary personal conduct. The written code of conducted can be viewed from the company's website.

11. Means Of Communication:

Quarterly Results :	Quarterly results are approved and taken on record by the Board of Directors of the Company within Forty Five days of the close of the relevant quarter and approved results are forthwith sent to the Stock Exchange where the Company's shares are listed. The results are published in the proforma prescribed, in widely circulated newspapers both English and vernacular.
Which newspapers normally published in :	Free Press Journal, English newspaper, Daily Navashakti- Marathi Newspaper, Daily
Any Website where displayed :	Yes, www.gvfilms.com
Whether presentation made to Institutional Investors or to analysts :	Yes, only on request.
Whether Management Discussion and Analysis Report is a part of Annual Report or not :	Yes, it is a part of Annual Report.

12. General Shareholder Information

25th Annual General Meeting :

Date	:	30th September 2014
Time	:	3.30 P.M.
Venue	:	MIG Cricket Club, Galaxy hall, MIG Colony, Near Mhada, Bandra (East), Mumbai 400051.

13. Financial Calendar (Tentative) for the year 2014-15

(Compliance of Clause 41 of the Listing Agreement)

Period ended	Financial Reporting
30th June, 2014	14th August, 2014
30th September, 2014	14th November, 2014
31st December, 2014	14th February, 2015
31st March, 2015	31st May, 2015

Date of Book Closure: 23rd September 2014 to 30th September 2014 (both days inclusive)

14. Listing on Stock Exchanges:

Name of the stock Exchange	Address	Scrip Code / Stock symbol
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	523277
Madras Stock Exchange Limited	Exchange Building, second line Beach, Chennai - 600 001	GVFILMS

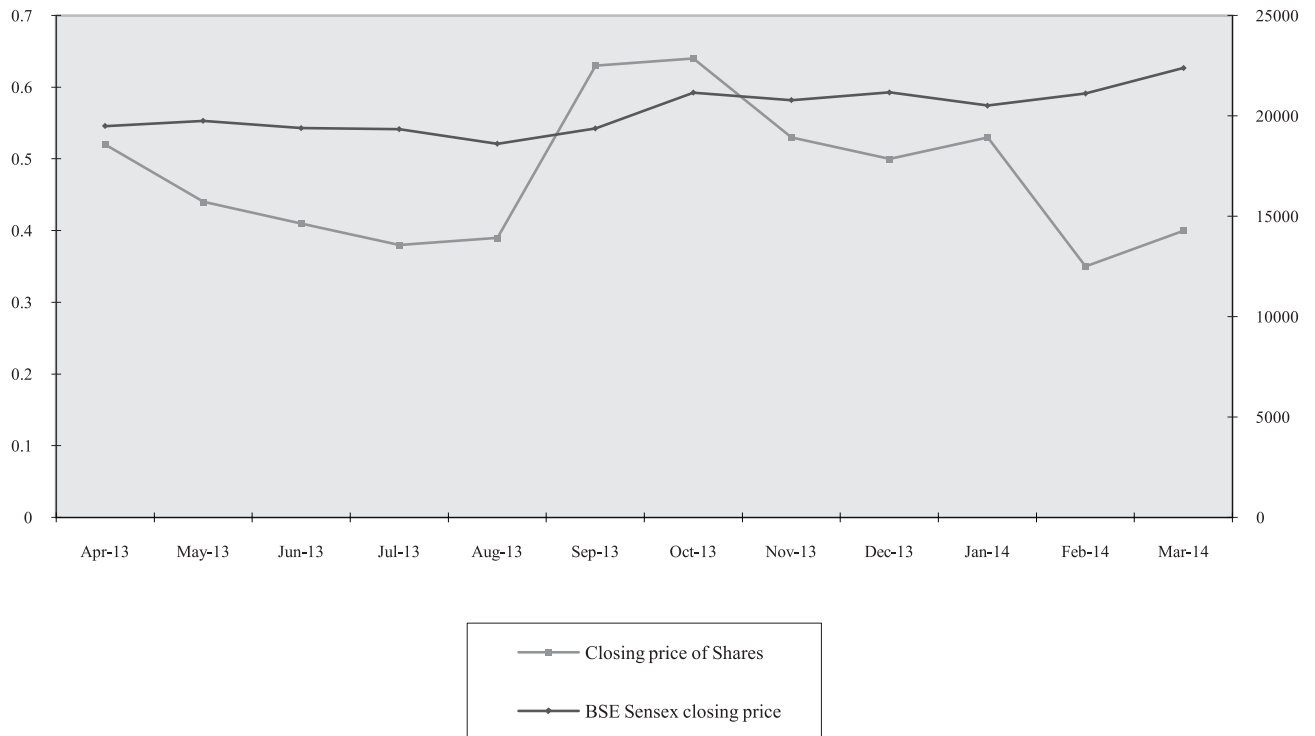
15. ISIN No. For The Company's Equity

Shares in Demat Form : INE395B01030

16. Depository Connectivity : NSDL & CDSL

17. Stock Market Price Data:

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April, 2013	0.44	0.36
May, 2013	0.50	0.41
June, 2013	0.46	0.40
July, 2013	0.43	0.38
August, 2013	0.41	0.35
September, 2013	0.40	0.37
October, 2013	0.66	0.64
November, 2013	0.63	0.53
December, 2013	0.54	0.47
January, 2014	0.51	0.44
February, 2014	0.58	0.35
March, 2014	0.34	0.33



18. Registrar & Transfer Agent (RTA)

: M/s. Cameo Corporate Services Ltd.
 Subramaniam Building, V-Floor, No. 1,
 Club House Road, Chennai – 600 002

19. Share Transfer System:

Share transfers were registered within a period of 30 days from the date of receipt in case of documents that are complete in all respects till July 31st 2014. However subsequent to the orders of SEBI the Share transfers are presently being registered within a period of 15 days from the date of receipt of documents that are complete in all respects. Share transfers and registration are approved by the share transfer committee and/or the Board. The transfers of shares are mostly in electronic form, Transfer and registration are confirmed to depositories on receipt of demat request within 21 days.

20. Distribution of Shareholding as on 31st March, 2014:

(a) According to category of holding:

Category	No. of Shareholders	No. of shares	% of shares
Promoters	0	0	0
Director	2	1844030	0.50
Body Corporate	879	24479608	6.64
Banks/Financial institutions	5	702100	0.19
Foreign Institutional Investors	1	16492833	4.47
Resident Individuals holding shares upto Rs.1Lakhs	117612	135780374	36.83
Resident Individuals holding shares in excess of Rs.1Lakhs	4131	173401534	47.04
OCB	1	11	0.00
Trust	2	2	0.00
NRIs	258	3896610	1.06
Clearing members	37	197770	0.05
HUF	2162	11832961	3.22
Total	125090	368627833	100.00

(b) According to Number of Equity Shares held:31.03.2014

Category	No. of Shareholders	% of Shareholders	No. of shares	% of shares
From To				
001 – 5000	66552	53.2032	15952770	4.3276
5001 – 10000	23334	18.6537	21413131	5.8088
10001 – 20000	13754	10.9952	23200567	6.2937
20001-30000	5633	4.5031	15074573	4.0893
30001-40000	2651	2.1192	9857114	2.6740
40001-50000	3717	2.9714	18140126	4.9209
50001 – 100000	4853	3.8796	38327720	10.3974
100001 –And above	4596	3.6746	226661832	61.4879
Total	125090	100.0000	368627833	100.0000

21. Dematerialization of shares and liquidity :

350361313 shares have been dematerialized as on 31.03.2014 out of 368627833 constituting 95.05%

22. Address for Correspondence:

No-001,Damini Building,
Next to Dilkush School,
Opp Hotel Ramanda Palm Groove
Juhu Tara Road, Juhu,
Mumbai – 400 049
Tel No:-022-26135904
Fax No-022-26135907
Mail Id: cs.gvfilms@gmail.com

23. Shareholders Queries:

M/s. Cameo Corporate Services Ltd.
Subramaniam Building, V-Floor, No. 1,
Club House Road, Chennai – 600 002

The Registrars can be contacted between 10.00 a.m. and 4.00 p.m. on working days (Monday to Friday).

24. Share Transfer System:

Shares in physical form, for transfer, should be lodged at the office of the Company's Registrar and share transfer agent, Cameo Corporate Services Ltd, Chennai at the address given above. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialization form.

Compliance of Non Mandatory Requirements

1) Chairman of the Board:

Mr. M.V.Balagiri is the chairman of the Board

2) Board Procedure:

Members of the Board are provided with the requisite information mentioned in the Listing Agreement well before the meeting and the same are considered and decisions are taken.

All the directors who are on various committees are within the permissible limits of the Listing Agreement. These directors have intimated from time to time about their membership in the various committees in other companies.

CEO / CFO CERTIFICATION AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

I, M.V.Balagiri, Chairman and Managing Director responsible for the finance function, certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March 2014 and to the best of my knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2014 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems pertaining to financial reporting. Deficiency in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d.
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes of the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Place: Mumbai,
Date: 24.07.2014**

**Sd/-
M.V. Balagiri
Chairman & Managing Director**

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

CERTIFICATE

TO
THE SHAREHOLDERS,
GV FILMS LIMITED

We have examined the compliance conditions of Corporate Governance by GV Films Limited for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R.Ravindran & Associates
Chartered Accountants**

**Place: Chennai
Date: 24.07.2014**

**R.Ravindran
Proprietor
Membership No: 023829**

DECLARATION

All the Board members and the Senior Management personnel have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the period from 1st April, 2013 to 31st March, 2014 in terms of Clause 49(I) (D)(ii) of the Listing Agreement with the Stock Exchanges.

**Place: Mumbai,
Date: 24.07.2014**

**M.V. Balagiri
Chairman & Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of Listing Agreement, the Management Discussion and Analysis Report is as under:

ECONOMIC REVIEW:

The Indian media and entertainment (M&E) industry is full of potential and has a tremendous impact on the country’s economy. As per a FICCI–KPMG report, India’s M&E industry reaches 161 million TV households; 94,067 newspapers; about 2000 multiplexes; and 214 million internet users, of which 130 million access the Internet on their mobile phones.

The industry grows with each passing day and plays a significant role in creating awareness on many issues that impact the masses. India’s population is over 1.2 billion. These numbers give the M&E industry in India a tremendous opportunity for growth. A few years ago, the idea of reaching and engaging the county’s population seemed improbable. That scenario has completely changed today and the current industry is armed with digital technologies, modern mobile devices, penetration of broadband internet and digital cinema, and considerable backing from the Central Government.

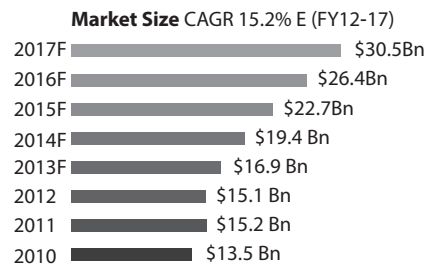
India’s M&E industry registered a growth of 12 per cent in 2013 and touched Rs 91,800 crore (US\$ 15.27 billion). The industry has the potential to grow at 14.2 per cent to more than Rs 1.78 trillion (US\$ 29.61 billion) in the next four years, as per a report by FICCI–KPMG.

With an estimated market size of US\$ 5 billion, India is the 14th biggest advertising market globally, as per the latest edition of the Gunn Report. Digital advertising is also expected to witness a compound annual growth rate (CAGR) of 27.7 per cent by 2018.

M & E INDUSTRY Vs GROWTH

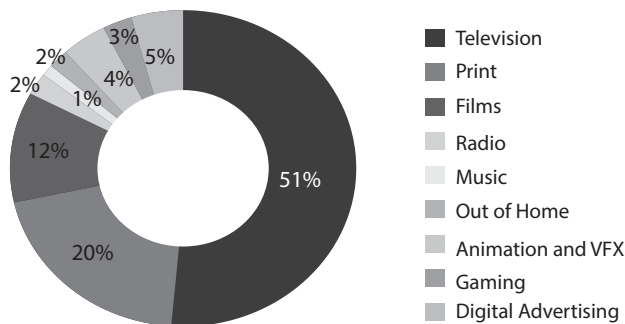
Market size of entertainment industry

The entertainment industry is expected to develop at a CAGR of 15.2 per cent during 2012–17.



Size of major entertainment industry segments

The television segment is expected to grow to 12 per cent by 2017.



References: Media Reports, Press Releases, FICCI–KPMG report, Press Information Bureau

FUTURE PROSPECTS AND PLANNING

The gloom of the past has faded away and Indian economy is already showing signs of recovery and it appears good days are here again. Film Industry is no exception to this positive mood swing. A better economy is always a better breeding ground for more cinemas.

Taking note of the above economic situation your Company has taken a call to venture into production of high quality low budgeted films. Company is also planning to exploit the scope for making use of the huge library of movie rights by dubbing into various regional languages.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION

Your Company considers Human Resources to be one of the key elements to sustain competitive advantage in the Media Sector. Media organizations are human driven; its growth depends upon the quality contribution made by the people in the organization. Therefore, your Company recognizes human resources as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and the annual report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations in India and other countries. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the domestic market, in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors and unforeseen circumstances.

AUDITORS REPORT

To
The Members of GV FILMS LIMITED
 Chennai

1. We have audited the attached Balance Sheet of **M/s. GV FILMS LIMITED** as at 31st March 2014 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO 2003) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - a. We have 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. The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, profit and loss account and the cash flow statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act, 1956
 - e. **We report that Shri Jain Kumar Vijay is disqualified from being appointed as a director under clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.**
 - f. And In our opinion and according to the best of our information, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India ;
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014
 - ii. in the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For R.Ravindran & Associates
 Chartered Accountants
 FRN:003222S

R.Ravindran
 Proprietor
 M.No:023829

Mumbai, 30th May, 2014

ANNEXURE REFERRED TO IN PARAGRAPH I OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF GV FILMS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013.**1) Fixed Assets:**

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- According to the information and explanations given to us, the fixed assets were physically verified by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancy was noticed on such verification. The Company has not undertaken impairment study of the fixed assets.

2) Inventory:

Inventories in the books represent picture rights and Internet film rights. The management has undertaken periodical physical verification of the inventory.

3) Loan to/from directors and interested parties

- In our opinion and according to the information and explanations given to us, the Company has granted loans to the extent of Rs. 6,46,36,033/- during the year to Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.
- The company has taken loans, secured or unsecured, to the extent of Rs.7,36,06,837/- from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

4) Internal Control

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and purchase and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5) Transaction covered by section 301

- In our opinion and according to the information and explanations given to us, the transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956 have been entered..
- In our opinion and according to the information and explanations given to us, Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6) Deposit from Public

The Company has not accepted any deposit from the public and the provisions of 58A and 58AA of the Companies Act, 1956 are not applicable.

7) Internal Audit

In our opinion and according to the information and explanations given to us, the Company does not have an internal audit system commensurate with the size and nature of its business.

8) Cost Accounting Records

The Provision of section 209(1) (d) of the Companies Act, 1956 regarding maintenance of cost records is not applicable to the company.

9) Statutory Dues

According to the information and explanations given to me, the company has no undisputed statutory dues pending for more than 6 months.

10) Cash Loss

As per Clause (x) of Paragraph 4 of CARO 2003, the Company has incurred a cash loss during the financial year and the cash losses as at the end of the financial year is less than Fifty per cent of the Net worth.

11) Repayment of dues

As at the year end, the company has interest overdue of Rs.1,95,65,919/- to FCCB holders and is subject to dispute.

12) Defaults to financial Institutions

As per information and records produced there are no loans from financial institutions as on 31st March 2014.

13) Loans and Advances on the basis of securities

In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

14) Applicability of provisions to Chit fund, Nidhi/mutual benefit fund/societies

The company is not a chit fund or a nidhi / mutual benefit fund/society hence the clause (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.

15) Trading in shares, securities debentures and other investments

In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

16) Guarantee given for others

In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.

17) End use of term loans

During the year the company has not taken any new term loans.

18) Short term Funds

In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that funds raised on short term basis were not used for long term investment. Accordingly clause (xvii) of the CARO 2003 is not applicable.

19) Preferential allotment of shares

According to the information and explanations given to us, during the period covered by our audit report, the Company has not made any preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

20) Debentures

The company has not issued any debenture during the period covered by our audit. Accordingly clause 4(xix) of the order is not applicable.

21) End use of public issue proceeds

During the year covered by our audit report, the Company has not raised any money by way of public issue.

22) Reporting of Frauds

To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For R.Ravindran & Associates

Chartered Accountants

FRN:003222S

R.Ravindran

Proprietor

M.No:023829

Mumbai, 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	31st March 2014 (Rs)	31st March 2013 (Rs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	3 68 62 78 330	3 68 62 78 330
(b) Reserves & Surplus	4	(3 26 43 62 191)	(3 21 56 07 357)
(c) Money Received Against Share Warrants		-	-
Share Application money pending allotment			
Non-Current Liabilities			
(a) Long term borrowings		-	-
(b) Deferred Tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long term provisions	5	18 36 601	20 57 130
Current Liabilities			
(a) Short term borrowings	6	34 69 92 166	28 50 63 384
(b) Trade payables	7	13 83 53 009	13 17 59 668
(c) Other Current liabilities	8	19 28 69 919	17 18 00 064
(d) Short term provisions	9	47 20 517	61 64 293
		1 10 66 88 350	1 06 75 15 512
ASSETS			
Non-Current Assets			
(a) Fixed Assets		-	-
(i) Tangible assets	10	47 68 092	55 68 293
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible assets held under development		-	-
(b) Non Current Investments	11	15 21 73 460	15 21 73 460
(c) Deferred Tax Assets (Net)	12	11 64 657	11 64 657
(d) Long term Loans & Advances	13	26 15 95 661	26 25 97 621
(e) Other Non-Current Assets		-	-
Current Assets			
(a) Current investments	14	56 69 16 461	56 64 41 344
(b) Inventories	15	6 00 41 320	6 07 66 072
(c) Trade receivable	16	29 44 710	67 55 802
(d) Cash and Cash equivalent	17	5 19 81 549	89 27 887
(e) Short term Loans & Advances	18	51 02 439	31 20 374
		1 10 66 88 350	1 06 75 15 512

See accompanying notes to the financial statements

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

M. V. Balagiri
Managing Director

Sudakar Malappa Shetty
Director

R. Ravindran
Proprietor
M. No.023829

Mumbai, 30th May, 2014

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

			31st March 2014 (Rs)	31st March 2013 (Rs)
I.	Revenue from Operations	19	5 35 78 870	5 32 13 693
II.	Other Income	20	26 36 967	18 72 475
III.	Total Revenue (I + II)		5 62 15 837	5 50 86 168
IV.	Expenses:			
	Film Production expenses	21	4 75 117	60 000
	Change in inventories	22	(4 75 117)	(60 000)
	Employee Benefit Expense	23	1 55 83 030	1 91 58 474
	Finance Cost	24	39 87 856	38 64 482
	Depreciation & Amortization expense	10	11 52 776	15 92 688
	Other Expenses	25	8 42 47 010	6 22 19 631
	Total expenses		10 49 70 672	8 68 35 275
V.	(Loss) before exceptional and extraordinary items and tax (III-IV)		(4 87 54 835)	(3 17 49 107)
VI.	Exceptional Items	26		(141 91 31 077)
VII.	(Loss) before extra-ordinary items (V-VI)		(4 87 54 835)	(145 08 80 184)
VIII.	Extra-ordinary items	27		(168 89 62 386)
IX.	Profit before tax (VII-VIII)		(4 87 54 835)	(313 98 42 570)
X.	Tax expense :			
	1. Current Tax		-	-
	2. Deferred Tax Liability		-	-
XI.	(Loss) for the year (XI + XIV)		(4 87 54 835)	(313 98 42 570)
XII.	Earning Per Equity Share :			
	(1) Basic		-	-
	(2) Diluted		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit (Loss) for the period from discontinuing operations (After Tax) (XII-XIII))		-	-
XV.	Profit (Loss) for the period (XI + XIV)		(4 87 54 835)	(313 98 42 570)
XVI.	Earning Per Equity Share :			
	(1) Basic		-	-
	(2) Diluted		-	-

See accompanying notes to the financial statements

For and on behalf of the Board

As per our report of even date

For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

M. V. Balagiri
Managing Director

Sudakar Malappa Shetty
Director

R. Ravindran
Proprietor
M. No.023829

Mumbai, 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Particulars	31st March 2014 (Rs)	31st March 2013 (Rs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(4 87 54 835)	(313 98 42 570)
Profit before tax from discontinuing operations		
Profit before tax	(4 87 54 835)	(313 98 42 570)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	11 52 776	15 92 688
Interest Expense	39 87 256	38 64 482
Interest received		(2 40 041)
Bad debts written off		19 61 579
Loss/Gain on Sale of Assets		
Exchange Fluctuation Loss	1 70 81 999	23 44 444
Extra-ordinary items		168 89 62 386
Operating Profit before working capital changes	(2 65 32 804)	(144 13 57 032)
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	65 93 341	(64 135)
Increase/ (Decrease) in Long Term Provisions	(2 20 529)	99 907
Increase/ (Decrease) in Short Term Provisions	(14 43 776)	29 90 226
Increase/ (Decrease) in Other Current Liabilities	39 87 856	(9 11 05 899)
Decrease/ (Increase) in Trade Receivables	7 24 752	19 08 255
Decrease/ (Increase) in Inventories	(4 75 117)	1 41 90 71 077
Decrease/ (Increase) in Long Term Loans & Advances	10 01 960	67 47 172
Decrease/ (Increase) in Short Term Loans & Advances	(4 30 53 662)	2 50 31 514
Decrease/ (Increase) in Other Current Assets	(19 82 065)	1 24 48 295
Decrease/ (Increase) in Other non-Current Assets		
Net Cash Flow From/ (Used in) operating Activities	(6 14 00 044)	(6 42 30 620)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale / Purchase of Fixed Assets including intangible assets, CWIP	(3 52 575)	7 25 00 000
Purchase of Investment		
Proceeds from sale of fixed assets		
Margin Money Deposit		
Interest Received		2 40 041
Net Cash Flow From/ (Used in) Investing Activities	(3 52 575)	7 27 40 041

Particulars	31st March 2014 (Rs)	31st March 2013 (Rs)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase In Share Capital		
Increase In Share Application Money		
Proceeds/ (Repayments) from Long-term borrowings		
Proceeds/ (Repayments) from short-term borrowings	6 19 28 782	(23 22 042)
Interest Paid	(39 87 256)	(38 64 482)
Dividends Paid		
Net Cash Flow From/ (Used in) Financing Activities	5 79 41 526	(61 86 524)
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	(38 11 093)	23 22 897
Cash and Cash equivalents at the beginning of the year	67 55 802	44 32 905
Cash and Cash equivalents at the end of the year	29 44 710	67 55 802

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
 Firm Registration No. 003222S

M. V. Balagiri
 Managing Director

Sudakar Malappa Shetty
 Director

R. Ravindran
 Proprietor
 M. No.023829

Mumbai, 30th May, 2014

Significant accounting policies & notes on accounts forming part of accounts for the year ended 31st March 2014.**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting:**

The Financial Statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The preparation of Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the period, balance of Assets and Liabilities and disclosures relating contingent liabilities as of the date of the financial statements. Examples of such estimates include useful life of tangible fixed assets, income taxes and future obligations under the employee retirement benefit plans etc. Actual results could differ from those estimates and differences, if any, are recognized in the period in which results are known.

1.2 Income recognition

Revenues from film sale and distribution are recognized in the year of execution of agreements for sale.

Revenues from exhibition of films are recognized upon realization.

1.3 Fixed assets accounting

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

Cost includes all expenses incurred to bring the Asset to its present location and condition.

Depreciation has been provided on the assets which are put to use on written down value Method at the rates specified in Schedule XIV of the Companies Act, 1956.

1.4 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India.

1.5 Gratuity

Gratuity is a defined benefit plan, provided in respect of past services based on independent actuarial valuation and corresponding contribution to the fund is expensed in the year of such contribution.

1.6 Provident Fund

Provident fund is a contribution to a Recognised Provident Fund with the Provident Fund Commissioner and the contribution made during the year as per the plan is expensed.

1.7 Leave Encashment

Liability for leave is treated as a short-term liability and is accounted for as and when earned by the employee.

1.8 Inventory valuation

Inventories represent films under production and other film rights.

Films under production are valued at cost.

The film rights are valued, as at the year end, as per the current market potential of the pictures.

1.9 Foreign Currency transactions

Transactions denominated In Foreign Currency are recorded at exchange rates prevailing at the time of such transactions.

Exchange differences arising upon Exchange Realization is taken to the Exchange realization account and the overall profit made or loss sustained at the year end is taken to the debit or credit of Profit and Loss account as the case may be.

1.10 Lease

Operating lease payments are recognized as expenses in the profit and loss account as per the terms of the agreements which are representative of the time pattern of the users' benefit.

1.11 Subsidiary

The company is 100% holding company of GV Studio City Limited. The financial statements of the holding and subsidiary company as well as the consolidated financial statements are presented.

1.12 Deferred tax

Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

Since there is no reasonable certainty of earning profits in future years the entity has not recognised the deferred tax Assets for the present year.

1.13 Valuation of Investments

Quoted shares are, as a prudent measure is valued, at the lower of the cost or Market value.

Un-quoted equity shares, held as short term investments, are valued at cost.

1.14 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the Income Tax Act, 1961. For the year 2013-14 income tax provision has not arisen due to losses.

1.15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

2. GENERAL NOTES ON ACCOUNTS**2.1 Accounting Period**

The period of accounts under review is from April 1, 2013 to March 31, 2014 for the company.

2.2 Receivables & Payables

Balance confirmation letters have been dispatched to various Sundry Debtors; confirmations are yet to be received.

2.3 Contingent Liability

Liability	2013-14	2012-13
	Rs	Rs
Capital Commitments	NIL	NIL
Claims against the company not acknowledged as debts	5 00 00 000	5 00 00 000
Statutory dues under dispute		
- Service Tax	53 52 586	53 52 586

2.4 Provision for Taxation

	2013-14	2012-13
	Rs.	Rs.
Tax under MAT	NIL	NIL

2.5 Remuneration to Auditors

Fee	2013-14	2012-13
	Rs	Rs
Statutory audit	3 00 000	3 00 000
Tax audit	1 00 000	1 00 000
Certification	10 000	10 000
Total	4 10 000	4 10 000

2.6 Foreign Exchange earnings and outflow

Earnings / Outflow	2013-14	2012-13
	Rs	Rs
Foreign Exchange earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL
FCC Bonds (Principal)	NIL	USD 0.5 million (Rs.2,67,90,000)

2.7 Business Segments

The company has two business segments as under.

Segment	Capital Employed	Sales / service / Other Income	Profit / (Loss)
	Rs	Rs	Rs
Film Distribution	168 69 05 000	3 36 946	(4 84 17 889)
Film Exhibition	7 96 84 000	5 32 44 924	3 36 946
Total	176 65 89 000	5 35 81 870	(4 80 80 943)

2.8 The figures have been rounded off to the nearest rupee.

2.9 Previous year's figures have been re-grouped wherever necessary.

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
 Firm Registration No. 003222S

M. V. Balagiri
 Managing Director

Sudakar Malappa Shetty
 Director

R. Ravindran
 Proprietor
 M. No.023829

Mumbai, 30th May, 2014

NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS

Note	Particulars	31st March 2014 (Rs)	31st March 2013 (Rs)
3	SHARE CAPITAL		Value in Rs.
	Authorised		
	200,00,00,000 Equity Shares of Rs 10/- each	20 00 00 00 000	20 00 00 00 000
	Issued		
	36,86,27,833 Equity Shares of Rs 10/- each	3 68 62 78 330	3 68 62 78 330
	Subscribed & Paid up		
	36,86,27,833 Equity Shares of Rs.10/- each	3 68 62 78 330	3 68 62 78 330
		3 68 62 78 330	3 68 62 78 330

The company has one class of equity share having a fare value of Rs.10 per share. Each shareholder of equity shares is entitled to one vote per share.

3.1 Disclosure pursuant to Note No. 6(A) (a,b,c) of Part I of Schedule VI to the Companies Act, 1956

	31st March 2014	
	Number	Value in Rs.
Authorised		
Equity Shares of Rs 10/- each	2 00 00 00 000	20 00 00 00 000
Issued		
Equity Shares of Rs 10/- each	36 86 27 833	3 68 62 78 330
Subscribed & Paid up		
Equity Shares of Rs.10 each fully paid	36 86 27 833	3 68 62 78 330
	36 86 27 833	3 68 62 78 330

	31st March 2013	
	Number	Value in Rs.
Authorised		
Equity Shares of Rs 10/- each	2 00 00 00 000	20 00 00 00 000
Issued		
Equity Shares of Rs 10/- each	36 86 27 833	3 68 62 78 330
Subscribed & Paid up		
Equity Shares of Rs.10 each fully paid	36 86 27 833	3 68 62 78 330
	36 86 27 833	3 68 62 78 330

3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

	31st March 2014	
	Number	Value in Rs.
Shares outstanding at the beginning of the year	36 86 27 833	3 68 62 78 330
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	36 86 27 833	3 68 62 78 330

Note	Particulars	31st March 2013	
		Number	Value in Rs.
	Shares outstanding at the beginning of the year	36 86 27 833	3 68 62 78 330
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	36 86 27 833	3 68 62 78 330

3.3 No shareholder holds more than 5% of total paid-up share capital of the company.

	31st March 2014 (Rs)	31st March 2013 (Rs)
4 RESERVES & SURPLUS		
Securities Premium Account		
Opening Balance	86 13 88 700	86 13 88 700
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
Closing Balance	86 13 88 700	86 13 88 700
Other Reserves		
Opening Balance	7 15 33 466	7 15 33 466
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	7 15 33 466	7 15 33 466
Surplus		
Opening balance	(414 85 29 523)	(100 86 86 953)
(+) Net Profit/(Net Loss) For the current year	(4 87 54 835)	(313 98 42 570)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(419 72 84 358)	(414 85 29 523)
Total	(326 43 62 191)	(321 56 07 357)
5 LONG TERM PROVISIONS		
Provision for employee benefits		
Gratuity (unfunded)	18 36 601	20 57 130
Total	18 36 601	20 57 130
6 SHORT TERM BORROWINGS		
Unsecured		
Loans and advances from related parties	33 13 81 588	26 87 18 539
Deposits	65 00 000	66 00 000
Other loans and advances	91 10 578	97 44 845
Total	34 69 92 166	28 50 63 384

Note	Particulars	31st March 2014 (Rs)	31st March 2013 (Rs)
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6.1 Loans and advances from related parties :

Related Party	Relationship	Opening Balance	Transfer	Fresh loans received	Repaid	Closing Balance
M.V.Balagiri	CMDDirector	1 26 27 859	15 90 000	67 48 251	46 34 886	1 31 51 224
Mahadevan Ganesh	Director	1 09 59 129				1 09 59 129
Ram Kaashyap Investment Ltd.	Common Director - Mr. A.Venkat-ramani	11 00 000				11 00 000
Sahana films Pvt Ltd	Common Director - Mr. Sudhakar shetty			2 22 16 000		2 22 16 000
Southside Hotels & Resorts Ltd.	Common Director - Mr. Mahadevan Ganesh	7 37 185		3 00 00 000	47 601	3 06 89 584
Sidhesh Corporation	Common Director - Mr. M.V.Balagiri	24 96 775		67 12 656	43 19 250	48 90 181
Sidhesh Enterprises	Firm of CMDirector	21 15 40 719		4 94 365	3 12 152	21 17 22 932
Sidhesh Films	Firm of CMDirector	1 64 46 500				1 64 46 500
Strawberry Events	Firm of CMDirector	93 48 051				93 48 051
Usha Venkatramani	Wife of Mr. A.Venkat-ramani Director	2 47 000				2 47 000
GV Studio City Ltd.	Subsidiary	32 15 321		74 35 565	39 899	1 06 10 987
		26 87 18 539		7 36 06 837	93 53 788	33 13 81 588

6.2 Deposits

Party	Nature of deposit	Date of deposit/ Renewal	Amount Rs.	Term	Rate of interest
Tanjore Theatres					
Sivakumar	Rent Advance	01.06.2012	60 00 000	June.12-May.13	Nil
K.Karthikeyan	Rent Advance	01.10.2012	1 00 000	Oct.12-Sept.13	Nil
Sanjeev Kumar	Rent Advance	01.10.2012	4 00 000	Oct.12-Sept.13	Nil
			65 00 000		

7	TRADE PAYABLE	31st March 2014 Rs.	31st March 2013 Rs.
	Trade payable	13 83 53 009	13 17 59 668
	Total	13 83 53 009	13 17 59 668

The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2014

8 OTHER CURRENT LIABILITIES

Interest accrued and due on borrowings	1 95 65 919	1 42 43 060
Capital advance		
Other creditors payable	17 33 04 000	15 75 57 004
Total	19 28 69 919	17 18 00 064

8.2 Interest accrued and due is the provision from the Bond maturity due date till the end of reporting period at the rates already stipulated in the terms of bond issue after considering exchange loss for the current year.

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
9	SHORT TERM PROVISIONS		
	Provision for employee benefits	18 80 946	11 59 277
	Salary & Reimbursements		
	Statutory dues	70 376	1 13 210
	Contribution to PF	18 122	19 453
	ESI payable	980	567
	Labour Welfare Fund	37 755	15 250
	Professional Tax		1 92 520
	Property Tax	9 98 876	25 78 084
	Tax deducted at source	3 78 630	
	Service Tax	45000	
	Leave Encashment		
	Provision for Tax	6 07 701	6 07 701
	Fringe Benefit Tax		
	Provision for expenses		
	Staff Life Insurance Premium	5 60 750	2 95 083
	Electricity	18 000	7 80 000
	Rent		4 03 148
	Audit fee	1 03 383	
	Total	47 20 519	61 64 293

10 Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2013	Additions/ (Disposals)	Revaluations/ (Impairments)/ deletions	Balance as at 31st March 2014	Balance as at 1 April 2013	Depreciation charge for the year	On disposals	Balance as at 31st March, 2014	Balance as at 1 April 2013	Balance as at 31st March, 2014
Tangible Assets										
Land (Freehold)										
Building (Theatres)										
Plant & Equipment										
Furniture & Fixtures	1 25 22 590	2 94 575		1 28 17 165	89 57 006	6 77 693		96 34 699	35 65 584	31 82 466
Office equipment	26 71 921	58 000		27 29 921	21 56 532	90 016		22 46 548	5 15 389	4 83 373
Vehicles	1 09 77 861			1 09 77 861	94 90 540	3 85 067		98 75 608	14 87 321	11 02 253
Sub total	2 61 72 372	3 52 575		2 65 24 947	2 06 04 079	11 52 776		2 17 56 855	55 68 293	47 68 092
Total	2 61 72 372	3 52 575		2 65 24 947	2 06 04 079	11 52 776		2 17 56 855	55 68 293	47 68 092
Previous Year	151 72 69 503	520000	148 34 12 365	3 43 77 138	3 83 46 449	15 92 688	1 11 30 292	2 88 08 845	147 89 23 054	55 68 293

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
14	INVENTORIES		
	a. Work-in-progress (Films under Production)	15 40 86 617	11 50 29 000
	b. Stock-in-trade (Film Rights)	41 28 29 844	45 14 12 344
		<u>56 69 16 461</u>	<u>56 64 41 344</u>
14.1	Film rights are valued at the lower of cost or net realisable values. The net realisable values are market values estimated by the management on film by film basis, as at the end of the reporting period.		
14.2	Work in Progress of films is stated at the accumulated costs.		
15	TRADE RECEIVABLES		
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	2 33 361	92 000
	Unsecured, considered doubtful		
		2 33 361	92 000
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	5 90 48 730	5 99 14 843
	Unsecured, considered doubtful	7 59 230	7 59 230
		<u>5 98 07 959</u>	<u>6 06 74 072</u>
		<u>6 00 41 320</u>	<u>6 07 66 072</u>
16	CASH AND CASH EQUIVALENTS		
	a. Balances with banks*	10 44 013	17 32 305
	This includes:		
	Bank deposits with more than 12 months maturity of Rs. 37,000/-		
	b. Cash on hand	19 00 697	50 23 497
		<u>29 44 710</u>	<u>67 55 802</u>
17	SHORT TERM LOANS AND ADVANCES		
	a. Loans and advances to related parties		
	Unsecured, considered good	1 18 46 538	10 05 441
			-
		1 18 46 538	10 05 441
	b. Others		
	Unsecured, considered good	3 71 52 011	49 39 446
	Doubtful	29 83 000	29 83 000
		<u>4 01 35 011</u>	<u>79 22 446</u>
		<u>5 19 81 549</u>	<u>89 27 887</u>

Note **Particulars** (Rs.)

17.1 Loans and advances to related parties:

Related Party	Relationship	Opening Balance	Transfer	Fresh loans received	Repaid	Closing Balance
Ardent Petroleum Pvt. Ltd.	Common Director - Mr. Mahadevan Ganesh	9 050				9 050
Euro Asia Infra Development Corporation Ltd.	Common Director - Mr. Mahadevan Ganesh	41 426				41 426
Ram Kaashyap Investment Ltd.	Common Director - Mr. A.Venkat-ramani	48 500				48 500
GV Corporation Ltd.	Common Director - Mr. Mahadevan Ganesh	35 646				35 646
G.V.Studio City Ltd.	Subsidiary Company			5 28 25 508	4 63 09 285	65 16 223
Space Hospitals Ltd.	Relative of Key Management Personnel	8 70 819				8 70 819
M.V Balagiri		0	15 90 000	1 10 50 405	57 43 138	37 17 267
Sidesh Films -Other Expenses A/c				7 60 120	1 52 511	6 07 607
		10 05 441		6 46 36 033	5 22 04 934	1 18 46 538

31st March 2014 **31st March 2013**

Rs. **Rs.**

17.2 Loans and advances-others

Unsecured, considered good

Trade advances	3 35 27 832	44 29 884
Advance to employees	2 91 400	60 000
Other advances	33 32 779	4 49 562
	3 71 52 011	49 39 446

17.3 Loans and advances-others

Unsecured, considered good

Trade advances	29 83 000	29 83 000
	29 83 000	29 83 000
	4 01 35 011	79 22 446

18 OTHER CURRENT ASSETS

Miscellaneous expenditure

Preliminary expenses not written off		1 43 35 772
Others	14 27 536	
TDS Receivable	20 71 663	20 68 054
Input Service Tax	16 03 240	10 52 320
	51 02 439	174 56 146

Less: Preliminary expenses written off & shown under "Note 27 - Exceptional item"

		1 43 35 772
	51 02 439	31 20 374

19 REVENUE FROM OPERATIONS

Income from Film Exhibition	5 32 44 924	4 42 38 693
Sale of Film Rights	3 33 946	89 75 000
	5 35 78 870	5 32 13 693

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
25	OTHER EXPENSES		
	Advertisement & Publicity	2 30 665	1 55 795
	Meeting Expenses	2 95 692	
	Bank Charges	48 271	78 226
	Distributors' share	3 66 55 563	2 11 21 505
	Payment to Auditors	449800	4 49 440
	Legal & Professional Charges	25 87 393	29 73 510
	Service Charges	5 48 161	4 55 688
	Business Development Expenses	9 00 948	
	Power & Fuel	52 17 930	39 97 187
	Rent	51 16 145	1 29 21 214
	Repairs to machinery	55 40 231	19 33 422
	Insurance	2 21 052	55 144
	Rates & Taxes	30 63 881	49 43 607
	Bad debts written off		19 61 579
	Postage, Trunks & Telephones	69 815	6 25 801
	Printing & Stationery	3 49 535	2 81 055
	Travelling & Conveyance	36 65 952	43 59 016
	Exchange Fluctuation Loss	1 70 81 999	23 44 444
	Other expenses	22 03 978	35 62 998
		<u><u>8 42 47 010</u></u>	<u><u>6 22 19 631</u></u>
26	Exceptional Items		
	Change in inventories	-	1 41 91 31 077
		<u><u>-</u></u>	<u><u>1 41 91 31 077</u></u>
	Substantial change in the values of inventories are represented as Exceptional Items.		
27	Extra-ordinary items		
	Impairment of		
	Webcasting Portal	-	(143 24 79 586)
	Advances	-	(27 22 70 344)
	Miscellaneous expenditure	-	(1 43 35 772)
	Profit on sale of Asset	-	3 01 23 317
		<u><u>-</u></u>	<u><u>(168 89 62 386)</u></u>

For and on behalf of the Board

M. V. Balagiri
Managing Director

Mumbai, 30th May, 2014

Sudakar Malappa Shetty
Director

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

R. Ravindran
Proprietor
M. No.023829

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED
FINANCIAL STATEMENTS OF GV FILMS LIMITED AND ITS SUBSIDIARY GV STUDIO
CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014**

1. We have audited the attached Consolidated Balance Sheet of M/s. GV FILMS LIMITED as at March 31, 2014 and also the Consolidated Profit and Loss Account and its subsidiary for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Consolidated Financial Statements have been prepared by the management of the company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - a. We have 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. The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, profit and loss account and the cash flow statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act, 1956
 - e. We report that **Shri Jain Kumar Vijay is disqualified from being appointed** as a director under clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.
 - f. And in our opinion and according to the best of our information, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India ;
 1. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at March 31, 2014.
 2. in the case of the Consolidated Profit and Loss Account of the Loss of the Company for the whole ended and its subsidiary for the year ended March 31, 2014.
 3. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company for the year ended March 31, 2014.

For R.Ravindran & Associates
Chartered Accountants
FRN:003222S

R.Ravindran
Proprietor
M.No:023829

Mumbai, 30th May, 2014

**CONSOLIDATED BALANCESHEET OF GV FILMS LIMITED AND ITS SUBSIDIARY
GV STUDIO CITY LIMITED AS AT 31ST MARCH, 2014**

	Notes	31st March 2014 Rs.	31st March 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	3 68 62 78 330	3 68 62 78 330
(b) Reserves & Surplus	4	(3 29 95 49 694)	(3 26 32 36 892)
(c) Money Received Against Share Warrants			
Non-Current Liabilities			
(a) Long term borrowings			
(b) Deferred Tax liabilities (net)			
(c) Other long term liabilities			
(d) Long term provisions	5	18 36 601	20 57 130
Current Liabilities			
(a) Short term borrowings	6	33 03 28 443	28 22 68 063
(b) Trade payables	7	13 85 63 576	13 20 72 859
(c) Other Current liabilities	8	19 28 69 919	17 18 00 064
(d) Short term provisions	9	50 84 452	55 95 950
		<u>1 05 54 11 626</u>	<u>1 01 68 35 504</u>
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	11 53 93 548	10 51 38 017
(ii) Intangible Assets			
(iii) Capital Work in Progress			
(iv) Intangible assets held under development			
(b) Non Current Investments	11	16 73 460	16 73 460
(c) Deferred Tax Assets (Net)	12	(17 438)	(17 438)
(d) Long term Loans & Advances	13	26 16 85 661	26 26 87 621
(e) Other Non-Current Assets			
Current Assets			
(a) Current investments			
(b) Inventories	14	56 69 16 461	56 64 41 344
(c) Trade receivable	15	6 01 34 321	6 08 59 073
(d) Cash and Cash equivalent	16	29 46 773	69 14 662
(e) Short term Loans & Advances	17	4 02 37 154	91 42 391
(f) Other Current Assets	18	64 41 687	39 96 374
		<u>1 05 54 11 626</u>	<u>1 01 68 35 504</u>

See accompanying notes to the financial statements

For and on behalf of the Board

As per our report of even date

For R. Ravindran & Associates

Chartered Accountants

Firm Registration No. 003222S

M. V. Balagiri

Managing Director

Sudakar Malappa Shetty

Director

R. Ravindran

Proprietor

M. No.023829

Mumbai, 30th May, 2014

**CONSOLIDATED STATEMENT OF PROFIT NAD LOSS ACCOUNT OF GV FILMS
AND ITS SUBSIDIARY GV STUDIO CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014**

		Notes	31st March 2014 Rs.	31st March 2013 Rs.
I.	Revenue from Operations	19	5 35 78 870	5 32 13 693
II.	Other Income	20	26 36 967	18 72 475
III.	Total Revenue (I + II)		5 62 15 837	5 50 86 168
IV.	Expenses:			
	Project in progress	21	4 75 117	60 000
	Change in inventories	22	(4 75 117)	(60 000)
	Employee Benefit Expense	23	1 55 83 030	1 91 58 474
	Finance Cost	24	39 87 856	38 64 482
	Depreciation & Amortization expense	10	1 49 45 941	72 64 393
	Other Expenses	25	8 22 45 499	5 58 21 041
	Total expenses		11 67 62 326	8 61 08 391
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(6 05 46 489)	(3 10 22 222)
VI.	Exceptional Items	26		(141 91 31 077)
VII.	Profit before extra-ordinary items (V-VII)		(6 05 46 489)	(145 01 53 299)
VIII.	Extra-ordinary items	27	0	(168 89 62 386)
IX.	Profit before tax (VII-VIII)		(6 05 46 489)	(313 91 15 685)
X.	Tax expense :			
	1. Current Tax			
	2. Deferred Tax Liability			
XI.	Profit (Loss) for the period from continuing operations (IX-X)		(6 05 46 489)	(313 91 15 685)
XII.	Profit (Loss) for the period from discontinuing operations			
XIII.	Tax expense of discontinuing operations			
XIV.	Profit (Loss) for the period from discontinuing operations (After Tax) (XII-XIII)			
XV.	Profit (Loss) for the period (XI + XIV)		(6 05 46 489)	(313 91 15 685)
XVI.	Earning Per Equity Share :			
	(1) Basic		-	-
	(2) Diluted			

See accompanying notes to the financial statements

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

M. V. Balagiri
Managing Director

Sudakar Malappa Shetty
Director

R. Ravindran
Proprietor
M. No.023829

Mumbai, 30th May, 2014

**CONSOLIDATED CASH FLOW STATEMENT OF GV FILMS LIMITED
AND ITS SUBSIDIARY GV STUDIO CITY LTD FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	(6 14 49 994)	(313 91 15 685)
Profit before tax from discontinuing operations		
Profit before tax	(6 14 49 994)	(313 91 15 685)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	1 49 45 941	72 64 393
Interest Expense	39 87 256	38 64 482
Interest received		(2 40 041)
Bad debts		1961579
Extra-ordinary items		1688962386
Exchange Fluctuation Loss	1 70 81 999	23 44 444
Operating Profit before working capital changes	(2 54 34 798)	(143 49 58 441)
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	5759293	- 5 74 572
Increase/ (Decrease) in Long Term Provisions	(3 40 529)	99 907
Increase/ (Decrease) in Short Term Provisions	(14 26 445)	26 98 912
Increase/ (Decrease) in Other Current Liabilities	3987856	- 9 11 05 899
Increase/ (Decrease) in Other Long term Liabilities		
Other Long Term Liabilities		
Decrease/ (Increase) in Trade Receivables	7 24 752	1908255
Decrease/ (Increase) in Inventories	(4 75 117)	1419071077
Decrease/ (Increase) in Long Term Loans & Advances	10 01 960	6747172
Decrease/ (Increase) in Short Term Loans & Advances	(4 51 67 727)	1 70 82 557
Decrease/ (Increase) in Other Current Assets	(9 82 973)	11985047
Decrease/ (Increase) in Other non-Current Assets		
Net Cash Flow From/ (Used in) operating Activities	(6 22 24 287)	(6 70 45 985)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP	(3 52 575)	7 25 00 000
Purchase of Investment		
Proceeds from sale of fixed assets		
Margin Money Deposit		
Interest Received		2 40 041
Net Cash Flow From/ (Used in) Investing Activities	(3 52 575)	72740041

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
CASH FLOW FROM FINANCING ACTIVITIES		
Increase In Share Capital		
Increase In Share Application Money		
Proceeds/ (Repayments) from Long-term borrowings		
Proceeds/ (Repayments) from short-term borrowings	6 32 12 519	27524
Interest Paid	(39 87 256)	(38 64 482)
Capital expenditure	(6 15 209)	
Dividends Paid		
Net Cash Flow From/ (Used in) Financing Activities	5 86 10 054	(38 36 958)
Net Increase/ (decrease) in cash and cash equivalents	(39 66 808)	1857098
Cash and Cash equivalents at the beginning of the year	69 14 662	50 57 565
Cash and Cash equivalents at the end of the year	29 47 854	69 14 662

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
 Firm Registration No. 003222S

M. V. Balagiri
 Managing Director

Sudakar Malappa Shetty
 Director

R. Ravindran
 Proprietor
 M. No.023829

Mumbai, 30th May, 2014

Notes on accounts forming part of consolidated financial statements of G.V.Films Limited and its subsidiary GV Studio City Limited for the year ended 31st March 2014.**Overview:**

GV Films Limited is a public limited company dealing in production, distribution and exhibition of films. The shares of GV Films Limited are listed in Bombay Stock Exchange Ltd. GV Studio City Limited is a wholly owned subsidiary company of GV Films Limited which deals in exhibition of films. Both companies are incorporated in Tamil Nadu, India. The consolidated financial statements of both companies are presented here.

1. SIGNIFICANT ACCOUNTING POLICIES**1.1 Basis of Accounting:**

The Financial Statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government.

The preparation of Financial Statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses for the period, balance of Assets and Liabilities and disclosures relating contingent liabilities as of the date of the financial statements. Examples of such estimates include useful life of tangible fixed assets, income taxes and future obligations under the employee retirement benefit plans etc. Actual results could differ from those estimates and differences, if any, are recognized in the period in which results are known.

1.2 Income recognition

Revenues from film sale and distribution are recognized in the year of execution of agreements for sale.

Revenues from exhibition of films are recognized upon realization.

1.3 Principles of Consolidation

The consolidated financial statements relate to the company (GV Films Limited) and its Subsidiary (GV Studio City Limited). The consolidated financial statements have been prepared on the following basis:

The financial statements of the company and its subsidiary is combined on a line by line basis, by adding the like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or losses in accordance with the Accounting Standard (AS-21) "Consolidated Financial Statements".

The company does not have minority shareholders, therefore, there is no need to disclose the adjustment of minority interest share of net profit or loss against income of the company and also the share of net assets as a separate item from liabilities in the consolidated Balance Sheet.

The consolidated financial statements are prepared using uniform Accounting policies like transactions and other events in similar circumstances and are presented in the same manner as the stand alone financial statement of the company.

1.4 Fixed assets accounting

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

Cost includes all expenses incurred to bring the Asset to its present location and condition.

Web casting portal represents the cost of expenses incurred by the company in acquiring and developing web casting technology, web NTV launch expenses, acquired value of internet rights of Hollywood films / regional films and related overheads.

Depreciation has been provided on the assets which are put to use on written down value Method at the rates specified in Schedule XIV of the Companies Act, 1956.

1.5 Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 "Employee Benefits" issued by the Institute of Chartered Accountants of India.

1.6 Gratuity

Gratuity is a defined benefit plan, provided in respect of past services based on independent actuarial valuation and corresponding contribution to the fund is expensed in the year of such contribution.

1.7 Provident Fund

Provident fund is a contribution to a Recognised Provident Fund with the Provident Fund Commissioner and the contribution made during the year as per the plan is expensed.

1.8 Leave Encashment

Liability for leave is treated as a short-term liability and is accounted for as and when earned by the employee.

1.9 Inventory valuation

Inventories represent films under production and other film rights.

Films under production are valued at cost.

The film rights are valued, as at the year end, as per the current market potential of the pictures.

1.10 Foreign Currency transactions

Transactions denominated In Foreign Currency are recorded at exchange rates prevailing at the time of such transactions.

Exchange differences arising upon Exchange Realization is taken to the Exchange realization account and the overall profit made or loss sustained at the year end is taken to the debit or credit of Profit and Loss account as the case may be.

1.11 Deferred tax

Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of assets.

Since there is no reasonable certainty of earning profits in future years the entity has not recognised the deferred tax Assets for the present year.

1.12 Valuation of Investments

Quoted shares are, as a prudent measure is valued, at the lower of the cost or Market value.

Un-quoted equity shares, held as short term investments, are valued at cost.

1.13 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the Income Tax Act, 1961. For the year 2013-14 income tax provision has not arisen due to losses.

1.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

2. GENERAL NOTES ON ACCOUNTS**2.1 Accounting Period**

The period of accounts under review is from April 1, 2013 to March 31, 2014 for GV Films Limited and its wholly owned subsidiary.

2.2 Receivables & Payables

Balance confirmation letters have been dispatched to various Sundry Debtors, confirmations are yet to be received.

2.3 Contingent Liability

Liability	2013-14	2012-13
	Rs	Rs
Capital Commitments	NIL	NIL
Claims against the company not acknowledged as debts	5 00 00 000	5 00 00 000
Statutory dues under dispute		
- Service Tax	53 52 586	53 52 586

2.4 Provision for Taxation

	2013-14	2012-13
	Rs.	Rs.
Tax under MAT	NIL	NIL

2.5 Foreign Exchange earnings and outflow

Earnings / Outflow	2013-14	2012-13
	Rs	Rs
Foreign Exchange earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL
FCC Bonds (Principal)	NIL	USD 0.5 million (Rs.2,67,90,000)

2.6 Business Segments

The company has two business segments as under.

Segment	Capital Employed	Sales / service / Other Income	Profit / (Loss)
	Rs	Rs	Rs
Film Distribution	168 69 05 000	3 36 946	(4 84 17 889)
Film Exhibition	7 96 84 000	5 32 44 924	3 36 946
Total	176 65 89 000	5 35 81 870	(4 80 80 943)

2.7 The figures have been rounded off to the nearest rupee.

2.8 Previous year's figures have been re-grouped wherever necessary.

For and on behalf of the Board

**As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S**

M. V. Balagiri
Managing Director

Sudakar Malappa Shetty
Director

R. Ravindran
Proprietor
M. No.023829

Mumbai, 30th May, 2014

NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR GV FILMS LIMITED AND ITS SUBSIDIARY GV STUDIO CITY LIMITED

Note	Particulars	31st March 2014 (Rs)	31st March 2013 (Rs)
3	SHARE CAPITAL		Value in Rs.
	Authorised		
	200,00,00,000 Equity Shares of Rs 10/- each	20 00 00 00 000	20 00 00 00 000
	Issued		
	36,86,27,833 Equity Shares of Rs 10/- each	3 68 62 78 330	3 68 62 78 330
	Subscribed & Paid up		
	36,86,27,833 Equity Shares of Rs.10/- each	3 68 62 78 330	3 68 62 78 330
		3 68 62 78 330	3 68 62 78 330
	The company has one class of equity share having a fare value of Rs.10 per share. Each shareholder of equity shares is entitled to one vote per share.		
4	RESERVES & SURPLUS		
	Securities Premium Account		
	Opening Balance	86 13 88 700	86 13 88 700
	Add : Securities premium credited on Share issue	-	-
	Less : Premium Utilised for various reasons	-	-
	Premium on Redemption of Debentures	-	-
	For Issuing Bonus Shares	-	-
	Closing Balance	86 13 88 700	86 13 88 700
	Other Reserves		
	Opening Balance	7 15 33 466	7 15 33 466
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	-
	Closing Balance	7 15 33 466	7 15 33 466
	Surplus		
	Opening balance	(417 19 25 370)	(102 47 31 788)
	(+) Net Profit/(Net Loss) For the current year	(6 05 46 490)	(313 91 15 686)
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	(423 24 71 860)	(416 38 47 474)
	Adjustment for Goodwill on consolidation	-	(3 23 11 584)
	Total	(329 95 49 694)	(326 32 36 892)
5	LONG TERM PROVISIONS		
	Provision for employee benefits		
	Gratuity (unfunded)	18 36 601	20 57 130
	Total	18 36 601	20 57 130

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
6	SHORT TERM BORROWINGS		
	Unsecured		
	Loan repayable on demand		
	Term Loan from Banks		
	Loans from related parties	31 42 54 379	26 55 03 218
	Other Loans & Advances	95 74 064	1 01 64 845
	Deposits	65 00 000	66 00 000
	Total	33 03 28 443	28 22 68 063
7	TRADE PAYABLE		
	Trade payable-others	13 85 63 576	13 20 72 859
	Total	13 85 63 576	13 20 72 859
	The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2014		
8	OTHER CURRENT LIABILITIES		
	Other creditors payable	17 33 04 000	15 75 57 004
	Interest Accrued and due on Borrowings	1 95 65 919	1 42 43 060
	Capital Advance		
	Total	19 28 69 919	17 18 00 064
8.1	Other creditors payable is FCC Bonds 2.9 million USD which have matured but not discharged Rs.17 33 04 000/-.		
8.2	Interest accrued and due is the provision from bond maturity due date till the end of reporting period at the rates already stipulated in the terms of bond issue after considering exchange loss for the current year.		
9	SHORT TERM PROVISIONS		
	<u>Provision for Employee Benefits</u>		
	Salary and Reimbursements	18 80 946	11 59 277
	<u>Statutory dues</u>		
	Contribution to P.F.	70 376	1 13 210
	ESI payable	18 122	19 453
	Labour Welfare Fund	980	567
	Professional Tax	37 755	15 250
	Property Tax		1 92 520
	Tax deducted at source	9 98 876	19 07 072
	Service Tax	3 78 630	
	Minimum Alternate Tax		
	Gratuity		
	Leave Encashment		
	<u>Provision for Tax</u>	45 000	
	Fringe Benefit Tax	6 07 701	6 07 701
	<u>Provision for expenses</u>		
	Staff Life Insurance Premium		
	Electricity	5 60 750	2 95 083
	Rent	18 000	7 80 000
	Audit fee	4 67 316	5 05 817
	Total	50 84 452	55 95 950

10 Fixed Assets

Consolidated Fixed Assets and Depreciation for the year ended 31.03.2014											
Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 April 2013	Additions/ (Disposals)	Revaluations/ (Impairments)/ deletions	Balance as at 31st March 2014	Balance as at 1 April 2013	Depreciation charge for the year	On disposals	Balance as at 31st March, 2014	Balance as at 1 April 2013	Balance as at 31st March, 2014	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Land (Freehold)	5 11 58 090			5 11 58 090					5 11 58 090		5 11 58 090
Building (Theatres)	2 31 60 827			2 31 60 827	24 23 677	10 88 290		35 11 967	2 07 37 150		1 96 48 860
Plant & Equipment	1 89 52 240	5 53 209		1 95 05 449	51 90 062	22 55 047		74 45 109	1 37 62 178		1 20 60 340
Vehicles	1 09 77 861	62 000		1 10 39 861	94 90 540	3 90 154		98 80 694	14 87 321		1 11 59 167
Office equipment	1 92 62 478	58 000		1 93 20 478	67 31 509	20 39 079		87 70 588	1 25 30 969		1 05 49 890
Furniture & Fixtures	1 54 33 538	2 94 575		1 57 28 113	99 71 230	10 95 474		1 10 66 704	54 62 308		46 61 409
Sub total	13 89 45 034	9 67 784		13 99 12 818	3 36 07 018	68 68 044		4 06 75 062	10 51 38 016		9 92 37 756
Intangible Assets											
Goodwill	4 03 89 480			4 03 89 480	1 61 55 792	80 77 896		2 42 33 688	2 42 33 688		1 61 55 792
Intangible Assets under Development											
Webcasting portal (Under construction)											
Goodwill											
TOTAL	17 93 34 514	9 67 784		18 03 02 298	4 99 62 810	1 49 45 940		6 49 08 750	12 93 71 704		11 53 93 548
Previous Year											

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
11	NON-CURRENT INVESTMENTS (Valued at Cost)		
	Investment in Equity Instruments		
	Quoted		
	9,400 Equity Shares of Rs 10/- each in GSFC	1 88 000	1 88 000
	Investment in Debentures/Bonds		
	792 Units -(US 64) of Rs 10/- each in UTI	8 496	8 496
	Unquoted		
	4,81,000 shares of Pixel Box office Pte. Ltd , Singapore in Sing \$ of 1 each	14 76 964	14 76 964
	Subsidiary		
	1,50,50,000 Equity shares of Rs.10/- each in GV Studio City Ltd.		
		<u>16 73 460</u>	<u>16 73 460</u>
12	DEFERRED TAX (ASSET)		
	Deferred Tax (Asset)	(17 438)	(17 438)
		<u>(17 438)</u>	<u>(17 438)</u>
13	LONG TERM LOANS AND ADVANCES		
	Security Deposits	90 000	3 79 395
	Unsecured considered good	2 89 395	
	Security Deposits		
	Unsecured considered doubtful	39 050	39 050
	Other Loans and Advances		
	Unsecured considered good		
	Capex advances		
	Unsecured considered good	26 12 67 216	26 20 23 476
	Capex advances		
	Unsecured considered doubtful		
		<u>26 16 85 661</u>	<u>26 26 87 621</u>
14	INVENTORIES		
	a. Work-in-progress (Films under Production)	15 40 86 617	11 50 29 000
	b. Stock-in-trade (Film Rights)	41 28 29 844	45 14 12 344
		<u>56 69 16 461</u>	<u>56 64 41 344</u>

14.1 Film rights are valued at the lower of cost or net realisable values. The net realisable values are market values estimated by the management on film by film basis as at the end of the reporting period.

14.2 Work in Progress of films is stated at the accumulated costs.

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
15	TRADE RECEIVABLES		
	Outstanding for More than 6 months from the due date		
	Unsecured, considered good	3 26 361	6 00 07 843
	Unsecured, considered doubtful		7 59 230
	Outstanding for less than 6 months from the due date		
	Unsecured, considered good	5 90 48 730	92 000
	Unsecured, considered doubtful	7 59 230	
		<u>6 01 34 321</u>	<u>6 08 59 073</u>
16	CASH AND CASH EQUIVALENTS		
	Cash in hand	19 02 760	50 26 548
	Balance with Banks		
	- On Current Accounts	10 07 013	18 51 114
	- On Deposit Accounts	37 000	37 000
		<u>29 46 773</u>	<u>69 14 662</u>
17	SHORT TERM LOANS AND ADVANCES		
	Loans & Advances to related parties	(87 464)	11 05 441
	Unsecured, considered good		
	Other Loans & Advances		
	Unsecured, considered good		
	Trade Advances	1 89 607	50 53 950
		<u>1 02 143</u>	<u>61 59 391</u>
	Other Loans & Advances		
	Unsecured -Considered Good	3 71 52 011	29 83 000
	Unsecured -Considered Doubtful		
		<u>4 01 35 011</u>	<u>29 83 000</u>
		<u>4 02 37 154</u>	<u>91 42 391</u>
18	OTHER CURRENT ASSETS		
	Miscellaneous expenditure		
	Preliminary expenses		1 43 35 772
	Less: Written off & shown as "Extra-ordinary Item" under Note 27		1 43 35 772
			<u>1 43 35 772</u>
	Capital increase fee	8 76 000	10 95 000
	Less: Written off to P&L A/c	2 19 000	2 19 000
		<u>6 57 000</u>	<u>8 76 000</u>
	TDS on receipts	27 53 911	20 68 054
	Service Tax (Input)	16 03 240	10 52 320
	Others	14 27 536	
		<u>64 41 687</u>	<u>39 96 374</u>

Note	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
24	FINANCE COST		
	Interest on loans	39 87 856	38 64 482
		39 87 856	38 64 482
25	OTHER EXPENSES		
	Advertisement & Publicity	2 30 665	1 55 795
	Meeting Expenses	2 95 692	
	Bank Charges	57 208	78 981
	Less: Distributors' share	3 66 55 563	2 11 21 505
	Payment to auditor as auditor	5 62 160	5 61 800
	Legal & Professional Charges	26 77 393	29 73 510
	Service Charges	5 53 604	4 57 788
	Business Development Expenses	9 00 948	
	Power and fuel	52 17 930	39 97 187
	Rent	26 44 145	60 98 710
	Repair to machinery	55 40 231	19 33 422
	Insurance	2 21 052	55 144
	Rates & Taxes	30 95 630	50 31 107
	Bad debts written off		19 61 579
	Maintenance - Theatre		
	Membership & Subscription		
	Postage, Trunks & Telephones	69 815	6 25 801
	Miscellaneous Expenses W/o	2 19 000	2 19 000
	Printing & Stationery	3 49 535	2 81 055
	Travelling & Conveyance	36 65 952	43 59 016
	Exchange Fluctuation Loss	1 70 81 999	23 44 444
	Other expenses	22 06 978	35 65 197
		8 22 45 499	5 58 21 041
26	Exceptional Items		
	Change in inventories	-	1 41 91 31 077
		-	1 41 91 31 077

Substantial change in the values of inventories are represented as Exceptional Items.

Note	Particulars	31st March 2014	31st March 2013
		Rs.	Rs.
27	Extra-ordinary items		
	Impairment Loss of		
	Webcasting Portal	0	(1,432,479,586)
	Advances	0	(272,270,344)
	Miscellaneous expenditure	0	(14,335,772)
	Profit on sale of Asset		30,123,317
		<u>0</u>	<u>(168 89 62 386)</u>

For and on behalf of the Board

As per our report of even date
For R. Ravindran & Associates
Chartered Accountants
Firm Registration No. 003222S

M. V. Balagiri
Managing Director

Sudakar Malappa Shetty
Director

R. Ravindran
Proprietor
M. No.023829

Mumbai, 30th May, 2014

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANIES.**

Name of The Subsidiary Company	GV Studio City Limited
Financial Year of the Subsidiary Company	31.03.2014
1. Holding Company's Interest Equity Share Capital	100% 1.50,50,000 Equity Shares of Rs.10/- each
2. Net aggregate amounts of the Profits /(Losses) of the Subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company - For the financial year of the subsidiary - For the previous financial year of the Subsidiary since it became its subsidiary	 (Rs. 1,17,91,654/-) (Rs. 73,51,012/-)
3. Net aggregate amounts of the Profits /(Losses) of the Subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company - For the financial year of the subsidiary - For the previous financial year of the Subsidiary since it became its subsidiary	 Nil Nil
4. Capital	Rs.15,05,00,000/-
5. Reserves	(Rs.3,51,87,501/-)
6. Total Assets	Rs.11,75,32,581/-
7. Total Liabilities	Rs.22,20,082/-
8. Details of Investments (except Investment in Subsidiary)	Nil
9. Turnover	Rs.24,72,000//-
10. Profit before Taxation	(Rs.1,17,91,654/-)
11. Provision for Taxation	Nil
12. Profit after Taxation	(Rs.1,17,91,654/-)
13. Proposed Dividend	Nil

As per our report of even date

For and on behalf of the Board

For **R. Ravindran & Associates**

Chartered Accountants

Firm Registration No. 003222S

R. Ravindran

Proprietor

M. No.023829

M. V. Balagiri

Managing Director

Sudhakar M Shetty

Director

Mumbai, 30th May, 2014

GV FILMS LIMITED

CIN: L92490MH1989PLC238780

Registered Office : 001, Damini Building, Next to Dilkhush School, Opp. Ramada Plam Grove, Juhu Tara Road, Juhu, Vile Parle (W), Mumbai - 400049. Tel No: 022 26135910 Email Id: cs.gvfilms@gmail.com, Website: www.gvfilms.com

ATTENDANCE SLIP

Registered Folio/ DP ID & Client ID	
No. of Shares held	
Name and Address of the Shareholder	

1. I hereby record my presence at the 25th Annual General Meeting of the Company being held on Tuesday, the 30th September, 2014 at 3.30 p.m. at MIG cricket Club, Galaxy hall, MIG colony ,Near Mhada, Bandra (East) Mumbai – 400051.
2. Signature of the Shareholder/Proxy Present
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.

GV FILMS LIMITED

CIN: L92490MH1989PLC238780

Registered Office : 001, Damini Building, Next to Dilkhush School, Opp. Ramada Plam Grove, Juhu Tara Road, Juhu, Vile Parle (W), Mumbai - 400049. Tel No: 022 26135910, Email Id: cs.gvfilms@gmail.com, Website: www.gvfilms.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :	
Registered address :	
E-mail Id:	
Folio No/ DP Id /Client Id :	

I/We, being the member (s) of _____ shares of the above named company, hereby appoint :

1. Name : _____ Address _____
E-mail Id : _____ Signature: _____ or failing him
2. Name : _____ Address _____
E-mail Id : _____ Signature: _____ or failing him
3. Name : _____ Address _____
E-mail Id : _____ Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual general meeting of the company, to be held on Tuesday, the 30th September, 2014 at 3.30 p.m. at MIG cricket Club, Galaxy hall, MIG colony ,Near Mhada, Bandra (East), Mumbai -400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014		
3	Appointment of Auditors and fix their remuneration		
Special Business			
4	Appointment of Mr. Sudhakar Mallapa Shetty As A Director of The Company.		
5	Appointment of Mr. Susant Srinivas Shetty as an Independent Director of The Company		
6	Appointment of Mr. Sushil Shrinivas Shetty as an Independent Director of The Company		
7	Appointment of Mr. Dinesh Mohan Naik as an Independent Director of The Company		
8	Appointment of Mr. Shivkumar Bhanupratap Singh as an Independent Director of The Company		
9	Reduction of Share Capital Of The Company		
10	Alteration of Capital Clause Contained In The Memorandum of Association		
11	Adoption of New Articles of the Company		
12	Approving Borrowing Limits of the Company		
13	Creation of Charge on the Assets of the Company		
14	Loans And Investments by the Company		

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder(s) _____

AFFIX REVNUUE STAMP

Notes:

01. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
02. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting of the Company

BOOK POST

If Undelivered Please Return to:

G V FILMS LIMITED

Registered. Office:

001, Damini, Next to Dilkhush School,

Opp. Ramada Plam Grove,

Juhu Tara Road, Juhu,

Vile Parle (W),

Mumbai - 400049.