

# **GV** Films Ltd.

**Annual Report  
2015-16**



**Directors****Dr. Ishari Kadhivelan****Ganesh** - Chairman**Balakumar Vethagiri Giri** - Managing Director**Ganesh Mahadevan** - Director**Navalpakkam Kuppan****Rajendiran** - Independent Director

(Appointed on 12.02.2016)

**Gudupalle Nagamal Reddy** - Independent Director

(Appointed on 12.02.2016)

**Thangavelu Pitchandi** - Independent Director

(Appointed on 12.02.2016)

**AUDITORS**

R. Ravindran &amp; Associates

(Chartered Accountant)

**BANKERS**

Bank of Baroda

The Cosmos Co. Operative Bank Ltd.

**REGD. OFFICE**

001, Damini Building,

Next to Dilkhush School,

Opp. Hotel Ramanda Palm Grove,

Juhu Tara Road, Juhu,

Vile Parle (West), Mumbai-400 049.

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Cameo Corporate Services Ltd

"Subramanian Building", 1 Club House Road,

Chennai – 600 002

E mail : narasimhan@cameoindia.com

Phone: 044 - 28460390

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**ANNUAL GENERAL MEETING****Date & Time:**

Saturday, 30th July 2016 at 4.00 p.m.

**Venue:**Mayors Hall, All India Institute of Local Self Government  
Sthanikraj Bhavan, CD Barfiwala Marg, Juhu Lane, Andheri West, Mumbai 400058

## NOTICE

**NOTICE** is hereby given that the Twenty-Seventh Annual General Meeting of the members of GV Films Limited will be held on Saturday, 30<sup>th</sup> July, 2016 at 4.00 p.m at Mayors Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, CD Barfiwala Marg, Juhu Lane, Andheri West, Mumbai 400058, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements including Audited Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2016, together with Directors' Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Ishari Kadhivelan Ganesh, (DIN 00563409) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification, the following resolution as an **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) the appointment of M/s. R. Ravindran & Associates, Chartered Accountants (Firm Registration No.0032225) as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Eighth (28<sup>th</sup>) AGM to be held in the year 2017 at such remuneration as may be mutually agreed between the board of directors of the Company and auditors be and is hereby ratified.

### **SPECIAL BUSINESS:**

#### **ITEM NO: 4 –CONVERSION OF UNSECURED LOANS INTO EQUITY ON PREFERENTIAL BASIS**

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

**“RESOLVED** that in terms of Sections 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement

entered into by the Company with the Stock Exchange where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, and SEBI (Listing Obligation and Disclosure Requirements), 2015 as may be applicable to the preferential issue of Equity shares and other applicable regulations/guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been / will be delegated) and subject to such, consents and approvals of SEBI, Stock Exchange(s), Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the Company be and is hereby accorded to the Board to offer, issue, and allot upto 12,00,00,000 (Twelve Crores only) Equity shares of Re.1/- each at par to Dr. ISHARI KADHIVELAN GANESH (whose name shall be recorded by the Company in the manner set out in Sec 42(7) of the Companies Act, 2013 read with the respective Rules) by issuing 12,00,00,000 (Twelve Crores only) equity shares of Re.1/- each at par and the price of equity shares of the issuer Company for such conversion of loans into equity as determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 as amended provided that the price of the equity shares so issued shall not be less than the minimum price to be arrived or arrived at in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 (ICDR) as amended."

**“RESOLVED FURTHER THAT** the pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date'. The 'Relevant Date' for the purpose of calculating the price of Equity Shares to be issued in terms hereof shall be June 30, 2016, being the date 30 days prior to the date of this Annual General Meeting scheduled to be held on July 30, 2016."

**“RESOLVED FURTHER THAT** the new equity shares issued shall rank pari-passu with the existing Equity

Shares of the Company. in all respects and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to do all such acts, deeds, matters and execute all documents as may be necessary in this regard and to delegate all or any of the powers herein conferred, to any one or more Directors or the Company Secretary of the Company .”

**5.APPOINTMENT OF MR. NAVAL PAKKAM KUPPAN RAJENDIRAN (DIN 07411975) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Navalpakkam Kuppan Rajendiran (DIN 07411975) who was appointed as Additional Director of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director, be and is hereby appointed for a period of 5 years as an Independent Director and not liable to retire by rotation “

**6.APPOINTMENT OF MR. GUDUPALLE NAGAMAL REDDY (DIN 02490682) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr.

Gudupalle Nagamal Reddy (DIN 02490682) who was appointed as Additional Director of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director for a period of 5 years and not liable to retire by rotation”

**7. APPOINTMENT OF MR. THANGAVELU PITCHANDI (DIN 02187591) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Thangavelu Pitchandi (DIN 02187591) who was appointed as Additional Director of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director, be and is hereby appointed as an Independent Director for a period of 5 years and not liable to retire by rotation”

**8. APPOINTMENT OF MR. SADAGOPAN KAMALA KANNAN (DIN 07535351) 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** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) 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) Mr. Sadagopan Kamala Kannan (DIN 07535351 ) in respect of whom the Company has received a notice under section 160 in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, and whose office shall be liable to determination by retirement of directors by rotation.”

**9. APPOINTMENT OF MRS. ISARI GANESH ARTHI (DIN 00568101) 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** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) 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) Mrs. Isari Ganesh Arthi (DIN 00568101) in respect of whom the Company has received a notice under section 160 in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, and whose office shall be liable to determination by retirement of directors by rotation.”

Place : Chennai

Date : 1<sup>st</sup> July, 2016

**BY THE ORDER OF THE BOARD OF DIRECTORS  
FOR GV FILMS LIMITED  
Sd/-  
VISWANATHAN SRIDHAR  
COMPANY SECRETARY**

**NOTES**

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETE, STAMPED AND SIGNED AND 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) Register of Members & Share Transfer Books of the Company will remain closed from 24<sup>th</sup> July, 2016 to 30<sup>th</sup> July, 2016 (both days inclusive) for the purpose of Annual General Meeting.
- d) Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business set out above is annexed hereto.
- e) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.
- f) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- g) 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 with the 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.
- h) All documents relevant to the 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, Sundays and Public Holidays between 11.00 a.m and 1.00 p.m.
- i) Pursuant to Section 108 of the Companies Act, 2013 and Rule 20, of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The members, whose names appear in the Register of Members/list of beneficial owners as on 23<sup>rd</sup> July, 2016 may cast their vote electronically. The members, who have acquired shares after the dispatch of the AGM Notice, may approach the Company for issuance of the User Id and Password for exercising their right to vote by electronic means. The voting period will commence at 9.00 a.m. on the 27<sup>th</sup> July, 2016 and will end at 6.00 p.m. on the 29<sup>th</sup> July, 2016. The Company has appointed Ms.Khushboo Bakul Gopani, Practicing Company Secretary, to act as the scrutinizer, for conducting the scrutiny of the votes cast. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

**Procedure for E-voting:**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27<sup>th</sup> July, 2016, at 9.00 A.M. and ends on 29<sup>th</sup> July, 2016 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<p><b>For Members holding shares in Demat Form and Physical Form</b></p>
<p>PAN : Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<p><b>Dividend Bank Details or Date of Birth (DOB)</b></p> <p>Enter the Dividend Bank Details or Date of Birth (in</p>

<p>dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone**

**Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Since the Company is required to provide members, the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut – off date and not casting their votes electronically, may cast their vote at the AGM venue, facility will be available at the venue. The results of e-voting will be placed by the Company on the website: [www.gvfilms.com](http://www.gvfilms.com) two days of the AGM and also communicated to the stock exchange(s), where the shares of the Company are listed.

J. The resolution proposed will be deemed to have been passed on the date of AGM subject to receipt of number of votes in favour of the resolutions.

K. Voting will be provided to the members through e-voting and / or at the AGM venue. A member

can opt for only one mode of voting i.e. either through e-voting or ballot. If a member cast votes by both modes, then voting done through e-voting shall prevail and the ballot shall be treated as invalid.

L. Members/Proxies are requested to bring their attendance slip dully filled in.

**Explanatory Statement Pursuant to Section 102 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 1<sup>st</sup> July, 2016 and shall be taken as forming part of the notice.

**Item No: 4 – Issue and Allotment of Equity Shares**

The special resolution as mentioned under item no.4 proposes to authorize the Board of Directors to issue and allot up to 12,00,00,000 (Twelve Crores only) Equity Shares of Re.1/- each at par to DR. ISHARI KADHIRVELAN GANESH in such manner and on such terms of conditions as prescribed under SEBI (ICDR) Regulations and in compliance with Sections 42 and 62 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014. Consent of the shareholders is sought for issuing the Equity Shares as stated in the resolution on a preferential basis. In terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 (“Regulations”) as amended, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the Annual General Meeting:

**i. The Objects of the issue through preferential offer:**

Since the Company is not in a position to repay the outstanding loan amount, the Management of the Company has made arrangement whereby the outstanding amount payable to one of the Directors, namely Dr. Ishari Kadhivelan Ganesh of the Company would be settled through converting the outstanding loan amount into Equity shares of the Company on preferential basis.

The Board of Directors of the Company at its meeting held on 24.02.2016, have received the consent and confirmation from the above mentioned Dr. Ishari Kadhivelan Ganesh for converting the outstanding loan amount to Equity Shares of the Company.

**ii. The Total Number of shares to be issued:**

The Board intends to offer, issue and allot upto 12,00,00,000 (Twelve Crores only) equity shares of Re.1/- each fully paid-up at par to the proposed allottee on preferential basis by issuing 12,00,00,000 (Twelve Crores only) equity shares of Re.1/- each at par and the price of equity shares of issuer Company for such conversion of loans into equity is determined in

## GV Films Ltd

accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 as amended provided that the price of the equity shares so issued shall not be less than the minimum price to be arrived or arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 as amended.”

### iii. Intention of the Directors/Key Managerial personnel to subscribe to the offer:

None of the Directors and Key Managerial Persons are subscribing to the offer, except Dr. Ishari Kadhivelan Ganesh

### iv. The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Proposed Allottee as mentioned at point no. (vi) below.

### v. The details of the shareholding of the proposed allottee Dr. Ishari Kadhivelan Ganesh as on date, as mentioned at point no. (vi) below.

### vi. Identity of the proposed allottee and percentage of post preferential issued capital:

Proposed Allottee	Pre-preferential issue holding	No. of Equity proposed to be allotted	Post. preferential issueholding
Dr. Ishari Kadhivelan Ganesh Address: Old No.30, New No.9, Dr. Ranga Road, Mylapore, Chennai 600004 PAN:AAAP14538D	60,000	12,00,00,000	12,00,60,000 24.57%

### vii. Control:

There will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

### viii. Relevant Date:

The Relevant Date as per the Regulations for the determination of issue price of the equity shares, pursuant to the aforesaid preferential allotment is fixed as June 30, 2016 i.e. the date falling 30 days prior to the date of this Annual General Meeting to be held on July 30, 2016 to approve the proposed preferential issue, in terms of Section 62 of the Companies Act, 2013.

### ix. Pricing of Preferential Issue:

The equity shares will be allotted in accordance with the price determined in terms of Regulation 76(1) of the ICDR Regulations. The equity shares shall be allotted at a price not less than higher of the following:

(a) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or

(b) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date. As per the calculations, the issue price has been fixed as Re.1/- per share which is more than the minimum price determined per share, in terms of Regulation 76(1) of the ICDR Regulations

### x. The justification for the allotment proposed to be made for conversion of loan into equity:

The Company's financials do not permit repayment of outstanding loan amount and payment of interest thereon an ongoing basis, the Management of the Company has made arrangement whereby the portion of the amount payable to one the Directors of the Company would be settled by converting the portion of the loan amount into Equity shares through preferential allotment.

### xi. Basis of valuation of shares:

The Company being a listed entity, the price of Equity share has been calculated in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.

### xii. Earlier allotment on preferential basis:

During the Financial Year 2015-16, the Company has not offered, issued and allotted any equity shares on preferential basis.

### xiii. Shareholding Pattern of the Company before and after preferential issue:

Sr. No.	Category	Pre Issue		Post Issue	
		No. Shares held	% of share holding	No. Shares held	% of share holding
<b>A Promoters Holding</b>					
1	Indian:	0	0	0	0
	Individuals	0	0	0	0
	Body corporate	0	0	0	0
	<b>Sub Total</b>	0	0	0	0
2	Foreign Promoters	0	0	0	0
	<b>Sub Total of A</b>	0	0	0	0
<b>B Non-Promoters holding</b>					
1	Institutional Investors	702600	0.19	702600	0.14
2	Non-Institution:				
	Private Corporate Bodies	19404301	5.26	19404301	3.97
	FII	16492833	4.47	16492833	3.38
	Directors and Relatives <b>Dr. Ishari Kadhivelan Ganesh</b>	<b>60000</b>	<b>0.016</b>	<b>120060000</b>	<b>24.57</b>
	Mrs.Isari Ganesh Arthi	50000	0.014	50000	0.01
	Indian Public	310401563	84.20	310401563	63.53
	Others (including NRI's)	21516536	5.85	21516536	4.40
	<b>Sub Total (B)</b>	<b>368627833</b>	<b>100.00</b>	<b>488627833</b>	<b>100.00</b>
	<b>Grand Total(A+B)</b>	<b>368627833</b>	<b>100.00</b>	<b>488627833</b>	<b>100.00</b>



**xiv. Proposed time within which the allotment shall be completed:**

The Company will issue and allot equity shares on a preferential basis within the time limit specified under the ICDR Regulations or any longer time limit as may be permitted under the ICDR Regulations.

**xv. Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchange, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

**xvi. Holding of shares in demat form, non disposal of existing shares by the proposed allottees and lock-in period of prior-holding of shares of proposed allottees:**

The entire shareholding of the proposed allottee in the Company, is held by him in dematerialized form. The entire pre preferential allotment shareholding of such allottee shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed allottee has Permanent Account Number.

**xvii. Lock –in Period of proposed allotment:**

The Securities allotted on preferential basis shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The consent of the shareholders is sought for the issue of equity shares in terms of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the ICDR Regulations, SEBI (LODR) Regulations and the listing agreements entered into by the Company with the stock exchange(s), where the Company's equity shares are listed.

**xviii. Auditor's Certificate:**

Certificate from the Statutory Auditors confirming that the proposed issue of equity shares is being made in accordance with the SEBI (ICDR) Regulations, 2009 including statutory amendments thereof will be made available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to the date of the meeting and also shall be placed before the shareholders at the ensuing Annual General Meeting of the Company.

**xix. Undertaking to re-compute the price, if required:**

The Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of the SEBI (ICDR) Regulations, in case it is required to do so.

**xx. Undertaking to put Equity Shares under lock-in till the re-computed price is paid, if required:**

Not applicable in this case, as it involves issuance of shares against outstanding loan amount.

**xxi. Compliances:**

The Company has complied with the requirement of SEBI (LODR) Regulations and other applicable statutory compliances. The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice. Except Dr. Ishari Kadhivelan Ganesh & Mrs. Isari Arthi Ganesh, none of the Directors, key managerial personnel and their relatives are concerned or interested in the above said resolution except to the extent of their directorship and shareholding in the Company.

As per the provisions of Section 62(c) of the Companies Act, 2013 the Company may convert loan into equity if the approval of members is taken by way of special resolution. Hence, the resolution for converting the unsecured loans into equity is proposed for your approval.

Clause V of the Memorandum of Association (MoA) & Article 4 of Articles of Association (AoA) of the Company, specify the Authorized capital as Rs.2000,00,00,000/- (Two Thousand Crores) consisting of 2000,00,00,000 (Two Thousand Crores) equity shares of Re.1/- each.

The Articles of Association of the Company permits the issue and allotment of equity shares on preferential basis.

The Board of directors recommends conversion of loan into equity shares for your approval.

**Item No-5**

Mr. Navalpakkam Kuppan Rajendiran (DIN 07411975) who was appointed as Additional Director (Independent) of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director be appointed as an independent Director

The Board considers that with his rich experience, association of Mr. Navalpakkam Kuppan Rajendiran, would be beneficial to the Company and as such recommends his appointment as Independent Director and not liable to retire by rotation.

**Item No-6**

Mr. Gudupalle Nagamal Reddy (DIN 02490682) who was appointed Additional Director (Independent) of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the

Act from a member proposing his candidature for the Office of Director be appointed as an Independent Director.

The Board considers that with his rich experience, association of Mr. Gudupalle Nagamal Reddy, would be beneficial to the Company and as such recommends his appointment as an Independent Director and not liable to retire by rotation.

**Item No-7**

Mr. Thangavelu Pitchandi (DIN 02187591) who was appointed as an Additional Director (Independent) of the Company with effect from 12.02.2016 and who holds Office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director be appointed as an independent Director.

The Board considers that with his rich experience, association of Mr. Thangavelu Pitchandi, would be beneficial to the Company and as such recommends his appointment as a Independent Director and not liable to retire by rotation.

**Item No-8**

The Company has received necessary consent and declaration in writing from Mr. Sadagopan Kamala Kannan, in accordance with the provisions of the Companies Act 2013, and the rules prescribed there under.

Mr. Sadagopan Kamala Kannan (DIN 07535351 ) in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the Office of Director be appointed as a Director liable to retire by rotation. The management considering his vast experience, recommends his presence on the Board will be of immense value to the Company

**Item No-9**

The Company has received necessary consent and declaration in writing from Mrs. Isari Ganesh Arthi, in accordance with the provisions of the Companies Act 2013, and the rules prescribed there under.

Mrs. Isari Ganesh Arthi (DIN 000568101) in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing her candidature for the Office of Director be appointed as a Director liable to retire by rotation.

The Board considers that with her rich experience, association of Mrs. Isari Ganesh Arthi., would be beneficial to the Company and as such recommends her appointment as a Director liable to retire by rotation.

For and on behalf of the Board of  
Directors of

**GV FILMS LTD**

sd/-

**VISWANATHAN SRIDHAR**

Company Secretary

Chennai

Date: 1<sup>st</sup> July 2016

**ANNEXURE**

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

Name of Directors	Mr.Navalpakkam Kuppan Rajendiran	Dr. Ishari K Ganesh	Mr. Thangavelu Pitchandi	Mr. Gudupalle Nagamal Reddy	Mr.Sadagopan KamalaKannan	Dr.Isari Ganesh Arthi
Date of Birth	21/11/1962	07/10/1966	24/04/1949	10/06/1949	10/01/1957	11/11/1973
Date of Appointment	12/02/2016	28/11/2015	12/02/2016	12/02/2016	NA	NA
Qualifications	B.Com; FCA	M.Com. B.L., Ph.D. , M.B.A - University of Madras- Dept. of Politics & Public –Administration	IAS Retd.	B.Sc.(Agri), LLB, CAIIB	BA	BSc., MCA, B.Ed., M.Ed.,Ph.D. University of Madras
Expertise	Practicing Chartered Accountant 20 years Exp	He is presently the Chancellor of Vels University, Chennai. He has a different dimension to his Business activity which is multifarious ranging from Investments, Real Estate, Hotel Industry and Wharehousing.	Formerly Finance secretary of Govt. of Tamilnadu	Has served as MD & CEO of Tamilnad Mercantile Bank Ltd., and have in depth knowledge in Banking, Finance & Credit	Past Pro Chancellor of Vels University, Chennai	She is a Young and Dynamic lady interested in education and presently she is Vice President (Academic) of Vels University
Directorship held in in other Public Companies (excluding foreign & Section 25 Companies)	NIL	Nil	Dharni Sugars & Chemicals Ltd.	NIL	NIL	None
Membership of committees in other public companies (includes only Audit and stakeholders Relationship Committee)	NIL	NIL	Two	NIL	NIL	NA
Shareholding of Directors	NIL	60,000	NIL	NIL	NIL	50,000

## DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 27<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

### 1. FINANCIAL HIGHLIGHTS

The highlights of the financial results of the Company for the year ended 31.03.2016 as compared with the previous year are as follows:

(Rs. in Lacs)

PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
Net Turn Over	352.76	602.41
Profit before Interest, Depreciation & Tax	(639.84)	(375.58)
Less: Finance costs	43.65	40.39
Profit/(Loss) before Depreciation & Tax	(683.49)	(415.97)
Less: Depreciation & Amortization expenses	12.40	14.02
Profit/(Loss) before Taxation	(695.89)	(429.99)
Less: Provision for Taxation - Current Tax & Deferred Tax	Nil	Nil
Profit/(Loss) after Tax	(695.89)	(429.99)
Balance brought forward	(42 402.83)	(41 972.84)
Provision for Dividend and Dividend tax	Nil	Nil
Transfer from General Reserve/Capital reduction Adjustment	(41,485.29)	Nil
Balance carried forward to next year	(1,613.44)	(42 402.83)

Management of the Company under the direction of your Board of Directors continued to achieve the targets of cutting down the cost of operations.

### 2. PERFORMANCE REVIEW

During the year of operation, your Company has achieved a net turnover of Rs. 352.76 lacs, as against the previous year net turnover of Rs.602.41 lacs. The Company has posted a net loss of Rs.695.89 lacs as against loss of Rs.429.99 lacs in the previous year.

### 3. DIVIDEND

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

### 4. SHARE CAPITAL

The paid up Equity Share capital of the Company has been reduced from Rs. 368.62 Crores to Rs. 36.86 Crores by way of reduction of the face value of the Equity Shares from Rs.10/- per Equity Share to Re. 1/- per Equity Share as approved by the Hon'ble Bombay High Court, Mumbai vide order dated 10<sup>th</sup> April, 2015. From 19<sup>th</sup> June 2015 the new shares were traded at BSE.

### 5. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Audited Financial Statements of the Company have been prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and forms part of the Annual Report.

### 6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Balance Sheet reflect the changes due to reduction of capital as the accumulated losses were written off/ adjusted against the said reduction

### 7. SUBSIDIARY COMPANY

In accordance with the proviso to sub section (3) of Section 129 of the Companies Act, 2013 (Act), the salient features of the financial Statement of the subsidiary Company G V Studio City Limited are set out in the prescribed form A O C -1, which forms part of the Annual Report. The said financial statements shall also be kept for inspection of Members at the Registered Office of the Company. The Company will provide, free of cost, a copy of the financial Statement in respect of its subsidiary to any Member of the Company upon receipt of a request for the same.

### 8. BUSINESS OUTLOOK OF THE SUBSIDIARY

The Company's wholly owned subsidiary Company GV Studio City Limited is into the business of providing the blends of Miniplex and food court, leisure and entertainment experience at the affordable prices.

### 9. DIRECTORS

#### a. INDUCTIONS

On 12-2-2016 Mr. Ishari Kadhivelan Ganesh was appointed as Chairman of the Board. During the year, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "Act") and the Articles of Association of the Company, the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration committee appointed Mr.G.Nagamal Reddy, Mr.N.K.Rajendiran, Mr.T.Pichandi as additional Directors (Independent).They shall hold office upto the date of the ensuing Annual General Meeting.

A declaration of Independence in compliance with Section 149(6) of the Companies Act, 2013, has been taken on record from all the independent directors of the Company

A Notice along with requisite deposit has been received from a member proposing the candidature of above

as Independent Directors of the Company

Further Dr. Isari Ganesh Arthi, resigned as an independent Director in view of the specific provisions of the Companies Act 2013, and LODR from board w.e.f. 23<sup>rd</sup> June 2016. Considering her Experience and knowledge, the board decided to appoint her as a director liable to retire by rotation at the ensuing annual general meeting of the Company.

A Notice along with requisite deposit has been received from a member proposing the candidature of above as Director of the Company

#### **b. Retirement and Re-appointments**

Pursuant to the provisions of Section 152 of the Act and the Articles of Association of the Company, Dr. Ishari Kadhivelan Ganesh retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

The Board recommends the aforesaid appointment/ re appointment of the Directors. Brief profile of the respective Directors is annexed to the Notice convening the ensuing Annual General Meeting.

During the year under review Mr. Sudhakar Mallapa Shetty, Mr. Sushil Shrinivas Shetty, Mr. Sushant Srinivas Shetty, Mr. Dinesh Mohan Naik and Mr. Shivkumar Bhanupratap Singh resigned from the board w.e.f. 12.04.2016. Further Ms. Deepthi Chanduru and Mr. Isari Ganesh Arthi resigned from the board w.e.f. 23<sup>rd</sup> June 2016.

#### **10. MEETINGS OF THE BOARD**

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance. The schedule of the meetings are circulated in advance, to ensure proper planning and effective participation in meetings. Detailed information regarding the meetings of the Board are included in the report on Corporate Governance, which forms part of the Board's Report.

#### **11. KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel have been retained and continuing.

#### **12. FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to reflect the financial position and results of

operations of GV Films Ltd together with its subsidiary. The financial statements of Financial Year 2015 - 2016 together with Auditor's Report forms part of this Annual Report.

#### **13. AUDIT OBSERVATIONS**

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 134(3)(f) of the Companies Act, 2013.

#### **14. RISK MANAGEMENT**

The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

#### **15. AUDITORS**

Pursuant to the provisions of section 139 of the Companies Act 2013, and rules framed thereafter M/s. R. Ravindran & Associates, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of 25<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September 2014 till the conclusion of 28<sup>th</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. The Directors recommend ratification of their appointment.

#### **16. 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.

#### **17. DEPOSITS**

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 during the year ended 31<sup>st</sup> March 2016.

#### **18. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company recognizes its responsibility and continues to provide a safe working environment for women free from sexual harassment and discrimination.

Pursuant to Section 22 of the sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the internal committee constituted under the said Act has confirmed that no Complaint / case has been filed / pending with the Company during the year.

#### **19. 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.

#### **20. MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **21. CORPORATE GOVERNANCE**

We strive to maintain high standards of Corporate Governance in all our interactions with our stakeholders. The Company has conformed to the Corporate Governance code as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance along with a certificate from the auditors confirming the level of compliance is attached and forms part of the Board's Report.

#### **22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 is appended in Annexure A to the Board's Report.

#### **23. BOARD COMMITTEES**

During the period under review, the Board of Directors have reconstituted all the committees to comply the provisions of the companies act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The details of Boards Committees – the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee have been disclosed separately in the Corporate Governance Report which is annexed to and forms part of this annual report.

Accordingly the Company has now Audit Committee, Stakeholder Relationship committee and Nomination & Remuneration Committee constituted in accordance with provisions of LODR. The details of members of these Committees are stated in Corporate Governance Report annexed to this Annual Report separately.

#### **24. SECRETARIAL AUDIT REPORT**

The Secretarial Auditor has issued the Secretarial Audit Report for the financial year 2015-16 pursuant to Section 204 of the Companies Act, 2013 which is annexed to Directors Report (Refer Annexure B). The Secretarial Audit report for the year under review does

not contain any qualification, reservation or adverse remarks.

#### **25. INTERNAL CONTROL SYSTEMS**

The Company has laid down certain guidelines, processes and structure, which enables implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

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

#### **26. BOARD EVALUATION**

Your Company believes in striving and excelling through effective and efficient Board monitoring. As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an evaluation of all the directors, the Board as a whole and its committees was conducted based on the criteria and framework adopted by the Board.

#### **27. RELATED PARTY TRANSACTION**

There were no related party transaction during the year under review other than those disclosed in relevant notes and accounts.

#### **28. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

This provision of the Companies Act, 2013 is not applicable for your Company

#### **29. WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Company has implemented a Whistle Blower Policy/ Vigil Mechanism, whereby employees and other stakeholders can report matters such as generic grievances, corruption, misconduct, illegality and wastage/misappropriation of assets to the Company.

The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee.

**30. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

During the year under review, the Company had not given any loan and guarantee, made any investment or provided any security pursuant to provisions of the Companies Act, 2013.

**31. NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration policy on appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel is disclosed in Annexure - A.

**32. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 read with applicable Rules made thereunder, extract of the Annual Return is annexed to this report as Annexure C.

**STATUTORY DISCLOSURES**

**33. 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.

**34. DIRECTORS' RESPONSIBILITY STATEMENT**

- a. pursuant to Section 134(3)(c) of the Companies Act, 2013 your Directors submit that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, has been furnished;
- b. 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 and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March 2016 and of the profit and loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets

of the Company and for preventing and detecting fraud and other irregularities;

- d. the Directors had prepared the annual accounts on a going concern basis; and
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

Explanation- For the purpose of this clause, the term "internal financial controls" means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information;

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**35. PARTICULARS OF EMPLOYEES**

The Company does not have any employee drawing Remuneration as prescribed in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules.

**36. 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.

**37. ACKNOWLEDGEMENT**

Your Directors would like to express their sincere gratitude for the continued support and co-operation extended by Shareholders, Banks, Government Departments, and valued customers and employees, who have contributed to the Company.

**For and on Behalf of the Board of  
Directors of**

Place : Chennai  
Date : 01.07. 2016

GV Films Ltd

Sd/-

**Balakumar Vethagiri Giri**

Managing Director

DIN: 01735497

## Annexure A

### ANNEXURE A TO DIRECTOR'S REPORT NOMINATION AND REMUNERATION POLICY

#### 1. BACKGROUND

The Nomination and Remuneration Policy was formulated by the Nomination and Remuneration Committee and approved by the Board of Directors in accordance with the requirement of Section 178 of the Companies Act, 2013 and LODR.

#### 2. DEFINITIONS AND INTERPRETATIONS

2.1 Unless the context requires otherwise, capitalized terms used in this Policy shall have the following meanings:

**"Act"** means the Companies Act, 2013 and any modifications thereto or amendments thereof.

**"Board"** means the collective body of the Directors of the Company.

**"Committee"** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

**"Company"** means GV FILMS Limited.

**"Director"** means a Director of the Company.

**"Independent Director"** means Director appointed in accordance with Section 149(6) of the Companies Act, 2013, Clause 49 of the Listing Agreement and LODR.

**"Key Managerial Personnel"** or **"KMP"** means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary; and
- (v) such other officer as may be prescribed under the applicable law.

**"Listing Agreement"** shall mean the Listing Agreement executed between the Company and the relevant stock exchange(s), as amended from time to time;

**"Other Employees"** means all the employees other than the Directors, KMPs and the Senior Management Personnel.

**"Senior Management Personnel"** or **"Senior Management"** means the personnel of the Company who are members of its core

management team excluding Board comprising of all members of management one level below the Managing Director, including the functional heads.

2.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act or the Rules made thereunder (as may be amended from time to time) or the Listing Agreement shall have the meaning respectively assigned to them in the Act the Rules made thereunder, or the Listing Agreement, as the case may be.

2.3 All requirements under all applicable laws (including, but not limited to the Act and the Rules made thereunder, the Listing Agreement and the directions issued by the Securities Exchange Board of India) with respect to the nomination and remuneration committee are deemed to have been incorporated herein.

#### 3. OBJECTIVE

The key objective of this policy is to provide a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations.

3.1 The objectives of the Policy include the following:

3.1.1 To guide the company in identifying and/or evaluating persons who are qualified to become directors, KMP and Senior Management personnel after taking into account the qualifications, positive attributes and independence and recommend to the Board their appointment/removal.

3.1.2 To determine that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully and recommend to the Board a policy, relating to the remuneration of the directors, KMP and other employees;

3.1.3 That correlation of remuneration to performance is clear and meets appropriate performance benchmarks;

3.1.4 That remuneration to directors, key managerial personnel and senior

management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**4. MATTERS TO BE DEALT WITH PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

**4.1 The Committee shall inter alia:**

- 4.1.1 Make recommendations to the Board with respect to remuneration for Managing Director(s) and remuneration to non-executive Director(s)/Independent Directors.
- 4.1.2 Identify persons who are qualified to become Director(s) and KMP.
- 4.1.3 Recommend to the Board, appointment / removal of Director(s) and KMP of the Company and carry out evaluation of every Director's performance.
- 4.1.4 Formulate criteria for determining qualification, positive attributes and independence of Directors.
- 4.1.5 Review the performance of Managing Director at the time of re-appointment.
- 4.1.6 Annually review the duties and performance of the chairman of the Board and recommend the process to the Board for his election.
- 4.1.7 Assist the Board in the establishment and implementation of an appropriate performance evaluation / self-assessment process for the members of the Board and its committees.
- 4.1.8 Perform review and evaluation, of the performance of the member of the Board and the committee members, at least annually.
- 4.1.9 Periodically review the composition and duties of the Company's permanent committees and recommend any changes in these committees to the Board.
- 4.1.10 Formulate a criteria for evaluation of Independent Director(s) and the Board.
- 4.1.11 Devise a policy on Board diversity.
- 4.1.12 Carry out any other responsibilities and duties delegated to it by the Board from time to time.

**5. POLICY AND CRITERIA FOR IDENTIFICATION, APPOINTMENT, TENURE, EVALUATION, RETIREMENT AND REMOVAL OF DIRECTORS AND KMP**

**5.1 Identification and Appointment criteria and qualifications of Directors/KMPs**

- 5.1.1 Directors
- 5.1.2 Any person who in the opinion of the Board is not disqualified to become a Director, under Section 164 of the Companies Act, 2013 and who in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.
- 5.1.3 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director (including Independent Directors), KMP, Senior Management personnel and employees and recommend to the Board his/her appointment.
- 5.1.4 Such person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned person.
- 5.1.5 The Company may also appoint or continue the employment of any person as a Managing Director or a Whole-time Director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy five years with the approval of shareholders by passing a special resolution subject to the provisions of Section 196 read with Rule 3 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Schedule (V) of the Companies Act, 2013.

**5.2 Independent Directors**

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in the Act and the Rules made thereunder (including but not limited to Section 149 of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014); and (B) the Listing Agreement.

**6. TERM / TENURE:**

**6.1 Managing Director/ Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**6.2 Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board and



will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

6.3 Subject to the provisions of Section 152(2) of the Companies Act, 2013 no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

6.4 If a person has already served as an Independent Director for 5 (five) years or more in the Company as on 1st October 2014, he / she shall be eligible for appointment for only one more term of 5 (five) years.

At the time of appointment of Directors (including Independent Directors) the Committee should ensure that the persons proposed to be appointed as Directors (including Independent Directors) do not exceed the maximum number of directorships a person can hold as per applicable laws.

#### 7. Evaluation:

7.1 The Committee shall carry out evaluation of performance of every Director or KMP at such intervals as it may determine, but at least once a year.

7.2 Evaluation of Directors:

In terms of Section 149 of the Act read with Schedule IV of the said Act and Listing Agreement the Independent Directors shall at its separate meeting without the attendance of non-independent directors and members of management and review the performance of non-independent Directors based on the parameters that are considered relevant by the Independent Directors.

7.3 The Board as a whole shall evaluate the performance of Independent Directors. During such evaluation the Director being evaluated shall be excluded from the meeting.

7.4 Evaluation of KMP and Senior Management Personnel

Criteria for evaluating performance of KMP (other than Directors) has been delegated to the Managing Director. The evaluation performance of Senior Management and Employees shall be delegated to the Personnel Department of the Company.

#### 8. Removal

8.1 Subject to the provisions of applicable laws, the

Committee may recommend to the Board, with reasons recorded in writing, removal of a Director or KMP.

8.2 Removal of Senior Management Personnel and Other Employees has been delegated to the Managing Director.

#### 9. POLICY RELATING TO THE REMUNERATION FOR THE DIRECTOR AND KMP

9.1 The remuneration/ compensation/ commission etc. to Directors (including Managing Director/ Whole-time Director) and their remuneration will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

9.2 The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.

9.3 Increments to the existing remuneration/ compensation structure payable to Directors may be recommended by the Committee to the Board which should be approved by the shareholders, and where the range of remuneration has been approved, the remuneration should be within such range or slabs.

9.4 Where any insurance is taken by the Company on behalf of its Directors and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

9.5 Remuneration to Directors (other than Independent Directors):

9.5.1 Fixed pay:

9.5.1.1 Directors (excluding Independent Directors) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force and subject to approval of the Central Government if salary payable is not within limits prescribed.

9.5.1.2 The break-up of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and

approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

9.5.1.3 KMPs (other than Directors) Senior Management Personnel and employees shall be eligible to monthly remuneration and quantum of perquisite including employer's contribution to Provident Fund, pension scheme, medical expenses etc. as per internal guidelines of the Company.

9.5.1.4 Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors (excluding Independent Directors) in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the prior approval of the Central Government.

**10. Remuneration to Independent Director:**

10.1 Remuneration/ Commission:

The remuneration/ commission shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

10.2 Sitting Fees:

The Non-Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or its committee. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

10.3 Remuneration to Senior Management Personnel:

The remuneration payable to Senior Management Personnel shall be determined in accordance with internal guidelines of the Company.

**11. DISCLOSURE OF INFORMATION**

Disclosures required under applicable laws and accounting standards regarding the remuneration paid by the Company shall be made in the financial statements of the Company.

**12. AMENDMENT**

Any change in this Policy shall, on recommendation of the Committee, be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/S. G.V.FILMS LIMITED

No.001, Damini Building, Next to Dilkush School, Opp-Hotel Ramada Palm Grove, Juhu Tara Road, Juhu, Mumbai City MH -400049

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. G.V.FILMS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company **M/S. G.V.FILMS LIMITED** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/S. G.V.FILMS LIMITED** for the financial year ended on **31st March 2016**, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliance under other applicable acts, laws and regulations to the Company. The major acts, laws and regulations as applicable to the Company are given in Annexure I.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India effective from 1<sup>st</sup> July, 2015.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has given all the details of actions having a major bearing on the Company's Affairs in pursuance of above referred laws. a) Reduction of Capital for adjusting the capital from Rs. 368.63 crores to Rs.36.86 crores and getting the shares face value reduced from Rs. 10/- per share to Re. 1.00 per share by adjusting the accumulated losses from the capital and listing the same with Stock Exchanges.

**FOR SP ROY & ASSOCIATES  
(Company Secretaries)**

**Place : Mumbai**

**Date : 27-06-2016**

**Sd/-**

**SATYA PRADEEP ROY**

**Partner**

**CP No-12045**

**Annexure I**

List of other applicable laws to the Company

1. Capital Market related laws
2. Secretarial standards issued by ICSI.
3. ESIC Act, 1948.
4. Employee Provident Funds & Misc Provisions Act 1952.
5. Profession Tax Act 1975.
6. Service Tax Laws as applicable.
7. Income Tax Act, 1961 rules and regulations made there under.

## "ANNEXURE A"

To,  
The Members,  
M/S. G.V.FILMS LIMITED  
No.001, Damini Building,Next to Dilkush School,  
Opp-Hotel Ramada Palm Grove,Juhu Tara Road,Juhu ,  
Mumbai City MH -400049

Our report of even date is to be read along with this letter.

- Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- The compliance of provisions of Corporate and other applicable laws, rules,regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR SP ROY & ASSOCIATES**  
(Company Secretaries)

Place : Mumbai  
Date : 27-06-2016

Sd/-  
SATYA PRADEEP ROY  
Partner  
CP No-12045

**ANNEXURE C**

FORM NO MGT-9

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2016**  
**Pursuant to Section 92(3) of the Companies Act, 2013**  
**and Rule 12(1) of the Companies (Management and**  
**Administration) Rules, 2014**

**I. REGISTRATION AND OTHER DETAILS**

CIN : L92490MH1989PLC238780

Name of the Company : GV Films Limited

**Category/ Sub- Category of the Company** : Company  
Limited by Shares

**Address of the Registered Office and Contact details:**  
001 Damini Building, Next to Dilkhush School, Opp.  
Ramada Palm Grove, Juhu Tara Road,  
JuhuVileParle(W), Mumbai- 400 049. Tel: 022-  
26135904/05/10. Fax: 022-26135907

**Whether Listed Company** : Yes

**Name, Address and contact details of Registrar and**  
**Transfer Agent, if Any** :

M/s. Cameo Corporate Services Ltd.  
Subramaniam Building, V-Floor, No. 1, Club House  
Road, Chennai – 600 002, Tel No. 044-28460390

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sl. No.	Name and Description of Services	NIC Code of the Service	% Turnover of the Company
1	Media & entertainment	591	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% Shares held	Applicable Section
GV STUDIO CITY LTD No 36, Raja Badar Street Pondy Bazaar, T. Nagar Chennai-600017	U92490TN2007PLC064155	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
<b>(i) Category-wise Share Holding</b>										
Name of the Company		: G V FILMS NEW FV RE 1/-								
Face Value		: 1 /-								
Paidup Shares as on 31-Mar-2015		: 368627833								
Paidup Shares as on 31-Mar-2016		: 368627833								
For the Period From		: 1-Apr-2015				To : 31-Mar-2016				
Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDEDFAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDEN INDIVIDUALS/FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	TOTAL SHARE HOLDING OF PROMOTER & PROMOTER GROUP (A) = (A)(1)+(A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/BANKS	701500	100	701600	0.1903	702500	100	702600	0.1905	0.0002
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	16492833	16492833	4.4741	0	16492833	16492833	4.4741	0.0000
g.	FOREIGN VENTURECAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>701500</b>	<b>16492933</b>	<b>17194433</b>	<b>4.6644</b>	<b>702500</b>	<b>16492933</b>	<b>17195433</b>	<b>4.6647</b>	<b>0.0002</b>
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	20234969	260150	20495119	5.5598	16146052	260150	16406202	4.4506	-1.1092
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	228305406	1518626	229823832	62.3458	225728747	1517426	227246173	61.64	0.0300
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	84766274	0	84766274	22.9951	86323621	0	86323621	23.4175	0.9224
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	114492	0	114492	0.0311	264521	0	264521	0.0717	0.0406
	DIRECTORS AND THEIR RELATIVES	0	0	0	0	1 10 000	0	1 10 000	0.030	0.030
	HINDU UNDIVIDED FAMILIES	13019860	0	13019860	3.5320	18218291	0	18218291	4.9421	1.4102
	NON RESIDENT INDIANS	3213712	100	3213812	0.8718	2863381	100	2863481	0.7767	-0.0950
	OVERSEAS CORPORATE BODIES	0	11	11	0.0000	0	11	11	0.0000	0.0000
	TRUSTS	0	0	0	0.0000	100	0	100	0.0000	0.0000
		<b>18191094</b>	<b>111</b>	<b>18191205</b>	<b>4.9348</b>	<b>21346293</b>	<b>111</b>	<b>21346404</b>	<b>5.7907</b>	<b>0.8559</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>18892594</b>	<b>1778887</b>	<b>351433400</b>	<b>95.3356</b>	<b>349654713</b>	<b>1777687</b>	<b>351432400</b>	<b>95.3352</b>	<b>-0.0002</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>350355813</b>	<b>18271820</b>	<b>368627833</b>	<b>100.0000</b>	<b>350357213</b>	<b>18270620</b>	<b>368627833</b>	<b>100.0000</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>350355813</b>	<b>18271820</b>	<b>368627833</b>	<b>100.0000</b>	<b>350357213</b>	<b>18270620</b>	<b>368627833</b>	<b>100.0000</b>	<b>0.0000</b>
C.	SHARES HELD BYCUSTODIANS AND AGAINSTWHICH DEPOSITORY RECEIPTSHAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>350355813</b>	<b>18271820</b>	<b>368627833</b>	<b>100.0000</b>	<b>350357213</b>	<b>18270620</b>	<b>368627833</b>	<b>100.0000</b>	<b>0.0000</b>

**ii. Share holding of Promoters NIL**

**Name of the Company : GV Films New FV Re. 1/-**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the beginning of the year			% chaning in share holding during the year	FOLIO / DP -CL-ID	PAN	Pledged of shares at the end of the year
		No of shares	% of total shares of the company total shares	% of shares pledged / encumbered to	No. of shares	% of total shares of the Company total shares	% of shares pledged / encumbered to year				
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**iii) Change in Promoters' Shareholding (please specify, if there is no change) NIL**

Sl No	Name of the Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the Company		
	Nil	Nil	Nil	Nil	Nil	Nil	

**iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Company		: G V FILMS NEW FV RE 1/-					
Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Share holding during the year		FOLIO/ DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	PETER BECK & PARTNER VERMOGENSVERWALTUNG GMBH						
	At the beginning of the year 31-MAR-2015	16492833	4.4741	16492833	4.4741	'00091830	
	At the end of the Year 31-Mar-2016	16492833	4.4741	16492833	4.4741		
2	K MURALI						
	At the beginning of the year 31-MAR-2015	3600000	0.9765	3600000	0.9765	IN30108022578752	AMDPM9637N
	Sale 21-Aug-2015	-3600000	0.9765	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
	HAVING SAME PAN						
2	K MURALI						
	At the beginning of the year 31-MAR-2015	66000	0.0179	66000	0.0179	1202230000119677	AMDPM9637N
	Purchase 21-Aug-2015	3600000	0.9765	3666000	0.9944		
	Purchase 27-Nov-2015	1067148	0.2894	4733148	1.2839		
	Sale 08-Jan-2016	-1342148	0.3640	3391000	0.9198		
	Sale 15-Jan-2016	-50000	0.0135	3341000	0.9063		
	Purchase 05-Feb-2016	290000	0.0786	3631000	0.9850		
	Purchase 31-Mar-2016	1000000	0.2712	4631000	1.2562		
	At the end of the Year 31-Mar-2016	4631000	1.2562	4631000	1.2562		
	HAVING SAME PAN						
2	K MURALI						
	At the beginning of the year 31-MAR-2015	4	0.0000	4	0.0000	1203350001188954	AMDPM9637N
	At the end of the Year 31-Mar-2016	4	0.0000	4	0.0000		

Name of the Company : G V FILMS NEW FV RE 1/-							
Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Share holding during the year		FOLIO/ DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
3	GOPAL DAS SONKIA						
	At the beginning of the year 31-MAR-2015	2532430	0.6869	2532430	0.6869	1201370000267557	ADRPK5823F
	Sale 04-Dec-2015	-2532430	0.6869	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
4	KAMAL NORANGLAL PODARJT1 : VANDANA KAMAL PODAR						
	At the beginning of the year 31-MAR-2015	1903882	0.5164	1903882	0.5164	1202300000231076	AABPP2792F
	At the end of the Year 31-Mar-2016	1903882	0.5164	1903882	0.5164		
5	BETHALAM BAPIRAJU						
	At the beginning of the year 31-MAR-2015	1895817	0.5142	1895817	0.5142	IN30102220435190	ALJPB4711B
	Purchase 18-Dec-2015	67625	0.0183	1963442	0.5326		
	Purchase 23-Dec-2015	175	0.0000	1963617	0.5326		
	At the end of the Year 31-Mar-2016	1963617	0.5326	1963617	0.5326		
6	G.V.SRINIVASANJT1 : S.R.LAKSHMI						
	At the beginning of the year 31-MAR-2015	1714000	0.4649	1714000	0.4649	IN30243720076725	AFPPS5370F
	Purchase 28-Aug-2015	51000	0.0138	1765000	0.4788		
	Purchase 04-Sep-2015	99000	0.0268	1864000	0.5056		
	Purchase 11-Sep-2015	10000	0.0027	1874000	0.5083		
	Purchase 18-Sep-2015	1000	0.0002	1875000	0.5086		
	Purchase 30-Sep-2015	25000	0.0067	1900000	0.5154		
	Purchase 16-Oct-2015	100000	0.0271	2000000	0.5425		
	Purchase 23-Oct-2015	135100	0.0366	2135100	0.5792		
	Purchase 20-Nov-2015	1000	0.0002	2136100	0.5794		
	Purchase 04-Dec-2015	150000	0.0406	2286100	0.6201		
	Purchase 18-Dec-2015	114900	0.0311	2401000	0.6513		
	At the end of the Year 31-Mar-2016	2401000	0.6513	2401000	0.6513		
7	LYDIA CONSTRUCTION PRIVATE LIMITED						
	At the beginning of the year 31-MAR-2015	1539771	0.4177	1539771	0.4177	1206300000051326	AABCL7441C
	Purchase 28-Aug-2015	2000	0.0005	1541771	0.4182		
	Purchase 04-Sep-2015	73905	0.0200	1615676	0.4382		
	Sale 11-Sep-2015	-250296	0.0678	1365380	0.3703		
	Purchase 18-Sep-2015	346257	0.0939	1711637	0.4643		
	Sale 16-Oct-2015	-170004	0.0461	1541633	0.4182		
	Sale 06-Nov-2015	-388408	0.1053	1153225	0.3128		
	Purchase 08-Jan-2016	200000	0.0542	1353225	0.3670		
	Sale 29-Jan-2016	-200000	0.0542	1153225	0.3128		
	Sale 19-Feb-2016	-301626	0.0818	851599	0.2310		
	Sale 26-Feb-2016	-35069	0.0095	816530	0.2215		
	Sale 31-Mar-2016	-816530	0.2215	0	0.0000		
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000		
8	R NATARAJAN						
	At the beginning of the year 31-MAR-2015	1500000	0.4069	1500000	0.4069	IN30108022578857	ABRPN5091J
	At the end of the Year 31-Mar-2016	1500000	0.4069	1500000	0.4069		



Name of the Company : G V FILMS NEW FV RE 1/-							
SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Share holding during the year		FOLIO/ DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
9	BETHALAM LALITHA						
	At the beginning of the year 31-MAR-2015	1458000	0.3955	1458000	0.3955	IN30316510010873	ALJPB4596J
	Purchase 06-Nov-2015	525500	0.1425	1983500	0.5380		
	At the end of the Year 31-Mar-2016	1983500	0.5380	1983500	0.5380		
	HAVING SAME PAN						
9	BETHALAM LALITHA						
	At the beginning of the year 31-MAR-2015	352200	0.0955	352200	0.0955	IN30102220435124	ALJPB4596J
	At the end of the Year 31-Mar-2016	352200	0.0955	352200	0.0955		
10	PANKHIBEN B SANGHVI						
	At the beginning of the year 31-MAR-2015	1390789	0.3772	1390789	0.3772	1201090000303289	ABEPS9695J
	Sale 25-Dec-2015	-90000	0.0244	1300789	0.3528		
	Sale 31-Dec-2015	-282140	0.0765	1018649	0.2763		
	Sale 08-Jan-2016	-63731	0.0172	954918	0.2590		
	Purchase 29-Jan-2016	123594	0.0335	1078512	0.2925		
	At the end of the Year 31-Mar-2016	1078512	0.2925	1078512	0.2925		
	NEW TOP 10 AS ON (31-Mar-2016)						
11	GOPAL DAS SONKIA (HUF)						
	At the beginning of the year 31-MAR-2015	0	0.0000	0	0.0000	1201370000090779	AADHG8735M
	Purchase 18-Dec-2015	2532430	0.6869	2532430	0.6869		
	At the end of the Year 31-Mar-2016	2532430	0.6869	2532430	0.6869		
12	VIJAY KUMAR JAIN						
	At the beginning of the year 31-MAR-2015	1322730	0.3588	1322730	0.3588	IN30087010152628	AAACHV3669N
	Purchase 11-Sep-2015	1000	0.0002	1323730	0.3590		
	At the end of the Year 31-Mar-2016	1323730	0.3590	1323730	0.3590		
13	LAKSHMI S RJT1 : SRINIVASAN G V						
	At the beginning of the year 31-MAR-2015	935000	0.2536	935000	0.2536	IN30163740347134	AAOPL6375P
	Purchase 04-Sep-2015	6000	0.0016	941000	0.2552		
	Purchase 11-Sep-2015	207000	0.0561	1148000	0.3114		
	Purchase 12-Feb-2016	10	0.0000	1148010	0.3114		
	Purchase 19-Feb-2016	76990	0.0208	1225000	0.3323		
	Purchase 26-Feb-2016	31000	0.0084	1256000	0.3407		
	Purchase 31-Mar-2016	43000	0.0116	1299000	0.3523		
	At the end of the Year 31-Mar-2016	1299000	0.3523	1299000	0.3523		

**v) Shareholding of Directors and Key Managerial Personnel:**

Name of the Company : G V FILMS NEW FV Re.1/-

SI No	Name of the Share holder	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Suresh Amin	2000	0.00	2000	0.00
2.	Dr.Ishari Kadhivelan Ganesh	60000	0.016	60000	0.016
3.	Mrs.Isari Ganesh Arthi	50000	0.014	50000	0.014
	<b>Total</b>	<b>112000</b>	<b>0.030</b>	<b>112000</b>	<b>0.030</b>

**V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT: NIL**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :**

- a. Remuneration to Managing Director: NIL
- b. Remuneration to other Directors: NIL
- c. REMUNERATION TO KEY MANAGERIAL PERSONNEL
  - Mr. Viswanathan Sridhar – Company secretary Rs.7,20,000/-
  - Mr. Suresh Amin – CFO – Rs. 9,00,000/-

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority [RD/ NCLT/COURT	Appeal made if any (give details)
Penalty			NIL		
Punishment					
Compounding					
C.other Officers in Default					
Penalty			NIL		
Punishment					
Compounding					

**MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is as under:

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

**Market Dynamics**

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 13.9 per cent year-on-year to reach Rs 196,400 crore (US\$ 28.82 billion) by 2019!.

In 2015, the overall Media and Entertainment industry grew 11.7 per cent over 2014. The largest segment,

India’s television industry, is expected to maintain its strong growth momentum led by subscription revenues, representing a year-on-year growth of about 13.2 per cent to reach Rs 60,000 crore (US\$ 8.8 billion) in 2015.

Significantly, with the increased penetration of smartphones and expansion of 3G/4G network in India, the country is likely to see around nine billion mobile application (apps) downloads during 2015, which is five times more than 1.56 billion in 2012. This uptick in app-downloads is also expected to increase the revenue from paid apps to an estimated over US\$ 241.16 million as against US\$ 144.7 million in 2014.

Industry estimates reveal that video games industry grew at a record 22.4 per cent in 2014 over 2013, wherein its net worth rose to US\$ 392 million. The Indian animation industry was valued at US\$ 748 million in 2014 and is forecasted to grow at 15-20 per cent per annum.

The Foreign Direct Investment (FDI) inflows in the information and broadcasting (I&B) sector (including print media) in the period April 2000 – December 2015 stood at US\$ 4.55billion, as per data released by

Department of Industrial Policy and Promotion (DIPP).

**References:** Media Reports, Press Releases, Press Information Bureau, Department of Industrial Policy and promotion (DIPP), Union Budget 2016-17

**OPPORTUNITES , THREATS**

The opportunities observed are based on the trends noticed in the past couple of years, which continues to be relevant: some of the key ones are:

Some of the risks and treats the company exposed to are:

Opportunities:

- Digitization
- Regional Markets
- Overseas theatricals

Threats:

- Piracy risk
- Production risk
- Spiraling cost

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

Statement of Segment-wise performance contribution of the divisions to the total income of the company in last two years.

S.No	Divisions	F.Y.2015-16 (Rs. Lacs)	Percentage	F.Y.2014-15 (Rs. Lacs)	Percentage
1.	Turnover from Film Division	0	0	0	0
2.	Turnover from Theater Division	335.72	100.00	567.49	100.00
	Total Income	335.72	100.00	567.49	100.00

**OUTLOOK, RISKS AND CONCERNS**

The Indian economy has shown robust growth. Film Industry is no exception to this positive mood swing. A better economy is always a better breeding ground for more cinemas. The regional market continues to have a bright future - especially with the government’s recent rural-friendly Budget and newer categories like e-commerce finally likely to help publications in tier II and tier III markets.

The Company has taken a call to venture into production of good quality low budget films. The company is seriously thinking of expanding its base in exhibition sector by developing mini-plexes across tier II and III cities

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has regular internal audit system covering all key processes and has in place adequate internal control.

**DISCUSSION ON FINANCIAL ANALYSIS**

The company’s financial performance is discussed in detail under the heading “review of operation “in Director’s Report.

**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. The Company has its own Human Resource Policy to guide, encourage and safeguard the employees.

**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 defer 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.

## 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.

**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 balanced Board, comprising executive and non-executive directors. The non-executive directors include independent professionals. Executive Directors includes the Managing Director and CEO.

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 Committees of other Companies	
			As a Chairman	As a Member
Mr. Ishari Kadhivelan Ganesh	Non Executive	None	None	None
Mr. Balakumar Vethagiri Giri	Executive	1	None	None
Mr. Mahadevan Ganesh	Non-Executive	None	None	None
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
Ms. Deepthi Chunduru **	Non-Executive	None	None	None
Ms. Isari Ganesh Arthi**	Non-Executive	None	None	None
Mr. Navalpakkam Kuppan Rajendiran	Non-Executive Independent	None	None	None
Mr. Gudupalle Magamal Reddy	Non-Executive Independent	None	None	None
Mr. Thangavelu Pitchandi	Non-Executive Independent	1	None	2

\*Ceased to be directors wef 12.04.2016.

\*\* Ceased to be a Directors wef 23.06.2016

During the financial year ended 31<sup>st</sup> March 2016, Board Meetings were held, which are as follows

Sl. No.	Date	Board Strength	No. of directors present
1	08-05-2015	8	4
2	29-05-2015	8	4
3	06-06-2015	8	4
4	19-06-2015	8	4
5	14-08-2015	8	4
6	14-09-2015	8	4
7	14-11-2015	8	4
8	28-11-2015	10	4
9	06-01-2016	10	4
10	18-01-2016	10	5
11	12-02-2016	13	6
12	24-02-2016	13	6

**Attendance at Board Meeting and AGM during the Financial Year**

Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Balakumar Vethagiri Giri	12	Yes
Mr. Mahadevan Ganesh	2	No
Mr. Sudhakar Mallapa Shetty	8	Yes
Mrs. Deepthi chunduru	4	Yes
Mr. Susant Srinivas Shetty*	0	Yes
Mr. Sushil Shrinivas Shetty*	0	Yes
Mr. Shivkumar B Singh*	8	Yes
Dr. Ishari Kadhivelan Ganesh	4	Yes
Ms. Isari Ganesh Arthi	4	No
Mr. Navalpakkam Kuppan Rajendiran #	2	NA
Mr. Gudupalle Nagamal Reddy #	1	NA
Ms. Usha Sandeep*	0	No
Mr. Thangavelu Pitchandi #	2	NA
Mr. Dinesh M. Naik*	8	Yes

- \* Mr. Sudhakar Mallapa Shetty, Mr. Susant Srinivas Shetty, Mr. Sushil Shrinivas Shetty, Mr. Shivkumar B Singh, Mr. Dinesh M. Naik ceased to be Directors with effect from 12.04.2016. Ms. Usha Sandeep ceased to be a Director with effect from 28.11.2015 Mrs. Deepthi chunduru and Ms. Isari Ganesh Arthi resigned from the board w.e.f. 23.06.2016.
- # Appointed as additional directors (independent) with effect from 12/2/2016

**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:

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

The Audit Committee consisted of the following members:

Sl. No.	Name of the Member	Chairman/ member
1	Mr. Sudhakar Mallapa Shetty	Chairman
2	Mr. Dinesh M. Naik	Member
3	Mr. Shivkumar B Singh	Member

The committee was reconstituted on 12.02.2016 with the following members

Sl. No.	Name of the Member	Chairman/ member
1	Navalpakkam Kuppan Rajendiran	Chairman
2	Thangavelu Pitchandi	Member
3	Balakumar Vethagiri Giri	Member

**Meeting and Attendance**

Details of Audit Committee Meeting during the financial Year

During the financial year ended 31st March 2016 Four meetings of Audit Committee were held, which are as follows:

Sl. No.	Date	Committee Strength	No. of members present
1	29.05.2015	3	3
2	14.08.2015	3	2
3	14.11.2015	3	3
4	12.02.2016	3	3

Attendance of Audit Committee Meeting during the financial year

Sl. No.	Name of the Member	No. of Meetings attended
1	Mr. Sudhakar Mallapa Shetty	3
2	Mr. Dinesh M. Naik	3
3	Mr. Shivkumar B Singh	3
4	Mr. Navalpakkam Kuppan Rajendiran	1
5	Mr. Thangavelu Pitchandi	1
6	Mr. Balakumar Vethagiri Giri	1

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

**4. Nomination & Remuneration Committee**

The Broad terms of reference of the Nomination & Remuneration Committee is to fix remuneration payable to the Whole time Directors in line with the Companies Act, 2013 and refer the same to the Board.

Composition of the Remuneration Committee:

The Nomination & Remuneration Committee consisted 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. Shivkumar B Singh	Member

Details of Nomination & Remuneration Committee Meeting during the year.

**Committee Members.**

The committee was reconstituted on 12.02.2016 with the following members

Sl.	Name of the Member	Chairman/ No. Member
1	Ishari Kadhivelan Ganesh	Chairman
2	Navalpakkam Kuppan Rajendiran	Member
3	Thangavelu Pitchandi	Member

**Remuneration Policy:**

Non-Executive directors are remunerated by way of sitting fees only. The Company does not pay 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: The Managing Director has not drawn any remuneration during the year in view of continuing losses incurred by the Company. During the year the

Non executive Directors have neither drawn any remuneration nor paid any sitting fee for attending the Board Meetings.

**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. Shiv kumar B Singh	Member

The Committee met 4 times during the year under review. The Committee supervises the matters relating to share transfers/ redressal of Shareholders / Investors complaints.

The committee was reconstituted on 12.02.2016 with the following members

Sl. No.	Name of the Member	Chairman/ Member
1	Gudupalle Nagamal Reddy	Chairman
2	Thangavelu Pitchandi	Member
3	Balakumar Vethagiri Giri	Member

**Part A**

Number of Complaints received directly	Nil
Number of Complaints forwarded by Stock Exchanges	Nil
Total Number of complaints/ comments as on 31.03.2016	Nil
Number of Complaints Resolved	Nil
Number of pending as on 31.03.2016	Nil

**Part B**

Name of Complainant	Nil
Date of Complaint	Nil
Status (Resolved/pending)	Nil
The Company Secretary of the Company acted as secretary to the Committee.	

**General Body Meetings**

Details of Annual General Meetings (AGMs):

AGMs	Date of AGMs	Location	Time
2012-13	30.09.2013	MIG Cricket Club, Galaxy Hall, MIG Colony, Near Mhada, Bandra (E) Mumbai-400051	3.00 pm
2013-14	30.09.2014	MIG Cricket Club, Galaxy Hall, MIG Colony, Near Mhada, Bandra (E) Mumbai-400051	3.30 pm
2014-15	30.12.2015	IMA Building, 2 <sup>nd</sup> floor, J. R. Mhatre Marg, J.V.P.D. Scheme, Juhu, Mumbai – 400049	4.00 pm

**Special resolutions passed at previous three AGMs**

- AGM on 30.12.2015 for the year 2014-2015 None
- AGM on 30.09.2014, for the year 2013-2014

Reduction of Share Capital, Alteration of Capital Clause of Memorandum, Adoption of new Articles of Association, Approving borrowing limits, Creation of charge on assets of the Company and Loans and Investments by the Company.

- AGM on 30.09.2013 for the year 2012-2013
- Voluntary Delisting of equity shares of the Company from Madras Stock Exchange Limited

**Postal Ballot**

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

**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**

**Risk Management**

Business risk evaluation and Management is an on going and continuous process within the Company and regularly updated to the Audit Committee and the Board.

**Appointment / Reappointment of Directors**

Profiles of the Directors seeking appointment/ re-appointment at the AGM, pursuant to Listing Agreement / LODR have been given in the Notice of 27<sup>th</sup> AGM.

**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. A copy of the code together with all addendum is posted on the Company's website. The Company has received an affirmation from the directors and Senior Management personnel. Senior Management personnel are required to disclose

to the Board all material Financial and Commercial transactions when they have any personal interest that may have potential conflict with the interest of the Company. The Company has received confirmation from Senior Management personnel to the same effect.

- **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, Navashakti – Marathi Newspaper;
- Any Website where displayed : [Yes, www.gvfilms.com](http://www.gvfilms.com)
- Whether presentation made to Institutional Investors or to analysts : Yes, only on request.

**12. General Shareholder Information**

27th Annual General Meeting:

Date : 30<sup>th</sup> July 2016, Saturday  
 Time : 4.00 P.M.  
 Venue : Mayors Hall, All India Institute of Local Self Government, Sthanikraj Bhavan, CD Barfiwala Marg, Juhu Lane, Andheri West, Mumbai 400058

**• Financial Calendar (Tentative) for the year 2016-17 (Compliance of Regulation 33 of LODR)**

Period ended	Financial Reporting
30 <sup>th</sup> June, 2016	14 <sup>th</sup> August, 2016
30 <sup>th</sup> September, 2016	14 <sup>th</sup> November, 2016
31 <sup>st</sup> December, 2016	14 <sup>th</sup> February, 2016
31 <sup>st</sup> March, 2017	30 <sup>th</sup> May, 2017

Date of Book Closure: 24<sup>th</sup> July 2016 to 30<sup>th</sup> July 2016 (both days inclusive)

**14. Listing on Stock Exchanges:**

Bombay Stock Exchange Limited  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Fort, Mumbai – 400 001  
 Scrip Code / Stock symbol 523277

**15. ISIN No. For The Company's Equity**

Shares in Demat Form : INE395B01048

**16. Depository Connectivity : NSDL & CDSL**

Category	No.of Holders	Total Positions	% of holdings
PHYSICAL	9334	18270620	4.956386
NSDL	66518	206269753	55.956098
CDSL	41898	144087460	39.087515
TOTAL	117750	368627833	100

**• Stock Market Price Data:**

Month	Bombay Stock Exchange Limited (BSE) in ₹	
	High	Low
April, 2015	0.60	0.38
May, 2015	0.99	0.41
June, 2015	0.94	0.75
July, 2015	----	----
August, 2015	1.22	0.91
September, 2015	1.08	0.78
October, 2015	0.98	0.76
November, 2015	0.90	0.67
December, 2015	1.30	0.70
January, 2016	1.60	0.97
February, 2016	1.10	0.83
March, 2016	0.89	0.61

**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 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 31<sup>st</sup> March, 2016:**

(a) Shareholding Pattern as on 31<sup>st</sup> March, 2016

Category	No.of Share Holders	No. of Shares	% of Shares
Resident	116682	331898085	90.036
FI	1	1000	0.0002
FII	1	16492833	4.4741
NRI	242	2863481	0.7767
Corporate Body	790	6406213	4.4506
Clearing Member	29	264521	0.0717
Trusts	1	100	0
Bank	4	701600	0.1903
TOTAL	117750	368627833	100

• **Distribution of Shareholding According to No. of Equity Shares held: 31<sup>st</sup> March, 2016**

Category	No. of Amount	% of Cases	Total Cases	Amount Shares	% of Amount
1 - 5000	108759	92.3643	97244405	97244405	26.3801
5001 -10000	4586	3.8946	36292957	36292957	9.8454
10001-20000	2199	1.8675	32402923	32402923	8.7901
20001-30000	769	0.653	19389468	19389468	5.2599
30001-40000	346	0.2938	12153495	12153495	3.2969
40001-50000	264	0.2242	12501333	12501333	3.3913
50001-100000	468	0.3974	34401479	34401479	9.3323
100001-And Above	359	0.3048	124241773	124241773	33.7038
<b>Total :</b>	<b>117750</b>	<b>100</b>	<b>368627833</b>	<b>368627833</b>	<b>100</b>

• **Dematerialization of shares and liquidity:**

35,03,56,313 shares have been dematerialized as on 31.03.2016 out of 36,86,27,833 constituting 95.04%.

**22. Address for Correspondence :**

001, Damini Building,  
Next to Dilkhush School, Opp Hotel Ramada  
Palm Groove,  
Juhu Tara Road, Juhu, Mumbai – 400 049  
Tel No:-022-26135905/10,  
Mail Id: [cs.gvfilms@gmail.com](mailto: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  
Tel No:-044-28460390 Mail Id :  
[narasimhan@cameoindia.com](mailto:narasimhan@cameoindia.com)

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**

- **Chairman of the Board:** Mr.Ishari Kadhivelan Ganesh is the chairman of the Board

- **Board Procedure:** Members of the Board are provided with the requisite information mentioned in the Listing Agreement / LODR 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 / LODR. 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 AND REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,2015.**

The Board of Directors,  
**GV Films Ltd.,Mumbai.**

We, Balakumar Vethagiri Giri, Managing Director and CEO and Suresh Amin, CFO of GV Films Ltd., certify that:

- A) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March 2016 and that to the best of our knowledge and belief
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2016 are fraudulent, illegal or violative of the Company's code of conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and we 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 we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.



D) We have indicated

1. Significant change in internal control over financial reporting during the year under reference if any;
2. Significant changes in accounting policies during the year requiring disclosure in the notes of the financial statements if any; and
3. Instances 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 if any.

-Sd-  
Suresh Amin  
CFO

Place : Chennai,  
Date : 01.07.2016

-Sd-  
Balakumar Vethagiri Giri  
Managing Director & CEO

## 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 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 in terms of Clause 49(I)(D) (ii) of the Listing Agreement and relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 .

Place : Chennai,  
Date : 01.07.2016

**Balakumar Vethagiri Giri**  
Managing Director & CEO

## CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA AND SECURITIES AND EXCHANGE BOARD OF INDIA(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS REGULATIONS,2015

### 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 31<sup>st</sup> March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited for the period 1<sup>st</sup> April,2015 to 30<sup>th</sup> November,2015 and as per the relevant provisions of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations 2015 for the period from 01<sup>st</sup> December,2015 to 31<sup>st</sup> March,2016.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures 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 agreement and Regulations, as applicable.

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  
FRN: 003222S

-Sd-

R. Ravindran

Proprietor

Place : Chennai  
Date : 1st July 2016

Membership No: 023829

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	GV Studio City Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	Rs.15,05,00,000
5.	Reserves & surplus	Rs.6,41,47,714 (Loss)
6.	Total assets	136090774
7.	Total Liabilities	136090774
8.	Investments	NIL
9.	Turnover	63,99,333
10.	Profit before taxation	Rs.1,10,57,075 (Loss)
11.	Provision for taxation	Nil
12.	Profit after taxation	Rs.1,10,57,075 (Loss)
13.	Proposed Dividend	Nil
14.	% of shareholding	Not Applicable

See accompanying notes to the financial statements

For and on behalf of the **Board**

**-Sd-**  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

**-Sd-**  
**Suresh Amin**  
CFO

**-Sd-**  
**Dr.Ishari K Ganesh**  
Director

**-Sd-**  
**V.Sridhar**  
Company Secretary

**-Sd-**  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
M.No: 023829

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : **NOT APPLICABLE**

Name of associates/Joint Ventures

1. Latest audited Balance Sheet Date
2. Shares of Associate/Joint Ventures held by the company on the year end

No.

Amount of Investment in Associates/Joint Venture  
Extend of Holding%

3. Description of how there is significant influence
4. Reason why the associate/joint venture is not consolidated
5. Net worth attributable to shareholding as per latest audited Balance Sheet
6. Profit/Loss for the year
  - i. Considered in Consolidation
  - ii. Not Considered in Consolidation

**For R. Ravindran & Associates**

Chartered Accountants  
Firm Registration No. 003222S

## Independent Auditor's Report

### To the Members of GV FILMS LIMITED

#### Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of **GV FILMS LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the (Standalone) Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup> 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

- d. in our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information

and according to the explanations given to us:

- i. The Company has not disclosed the impact of pending litigations on its financial position in its financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. Ravindran & Associates**  
**Chartered Accountants**  
**Firm Registration No. 0032225**

Chennai  
3rd June 2016

**-Sd-**  
**R. Ravindran**  
Proprietor  
**M No 023829**

### Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The Company does not hold any immovable properties.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has granted loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) *According to information and explanations given to us and on the basis of our examination of the books of account, and records, the*

*Company has been generally regular in depositing undisputed statutory dues with the appropriate authorities and there have not been delays in any cases mentioned above except below.*

Name of the Statute	Nature of dues	Amount (Rs)
Income Tax	TDS	3,08,200
Municipal Corporation	Professional Tax	53,605

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, during the year company has not paid or provided any managerial remuneration in accordance with the requisite approvals mandated

by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Chennai,  
3rd June 2016

Firm Registration No. 003222S

-Sd-

**R. Ravindran**  
Proprietor  
M No 023829

### **Annexure B to the Independent Auditor's Report of even date on the Standalone Financial Statements of GV FILMS LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GV FILMS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of

Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Firm Registration No. 003222S

**R. Ravindran**

**Proprietor**

**M No 023829**

Chennai,  
3rd June 2016

## GV FILMS LIMITED

Regd. Off: 001, Damini Building, Next to Dilkush School, Opp.Hotel Ramada Palm Grove, Juhu Tara Road, Juhu, Mumbai 400049.

## BALANCE SHEET AS AT 31st March, 2016

	Notes	31st March 2016	31st March 2015
		Rs.	Rs
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
(a) Share Capital	3	36 86 27 833	3 68 62 78 330
(b) Reserves & Surplus	4	( 5 96 47 377)	(3 30 77 08 604)
(c) Money Received Against Share Warrants		-	-
<b>Share Application money pending allotment</b>			
Non-Current Liabilities			
(a) Long term borrowings		-	-
(b) Deferred Tax liabilities (net)		-	-
(c) Other long term liabilities		-	-
(d) Long term provisions	5	26 07 373	18 00 530
<b>Current Liabilities</b>			
(a) Short term borrowings	6	65 11 26 087	49 11 34 214
(b) Trade payables	7	2 30 70 218	13 87 98 490
(c) Other Current liabilities	8	20 12 70 730	19 69 45 634
(d) Short term provisions	9	49 35 420	43 35 877
		<b>1 19 19 90 285</b>	<b>1 21 15 84 472</b>
<b>ASSETS</b>			
Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	27 70 976	30 19 102
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		9 26 97 000	9 26 97 000
(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 16 04 566	26 16 04 566
(e) Other Non-Current Assets			
<b>Current Assets</b>			
(a) Current investments			
(b) Inventories	14	56 64 41 344	56 64 41 344
(c) Trade receivable	15	5 19 32 282	5 19 32 282
(d) Cash and Cash equivalent	16	49 86 078	41 07 916
(e) Short term Loans & Advances	17	5 29 77 277	7 03 47 241
(f) Other Current Assets	18	52 42 646	80 96 905
		<b>1 19 19 90 285</b>	<b>1 21 15 84 472</b>

See accompanying notes to the financial statements

For and on behalf of the Board

For R. Ravindran &amp; Associates

Chartered Accountants

Firm Registration No. 0032225

-Sd-  
Balakumar Vethagiri Giri  
Managing Director  
30th May 2016,  
Chennai

-Sd-  
Suresh Amin  
CFO

-Sd-  
Dr.Ishari K Ganesh  
Director

-Sd-  
V.Sridhar  
Company Secretary

-Sd-  
R. Ravindran  
Proprietor  
3rd June 2016,

## GV FILMS LIMITED

Regd. Off: 001, Damini Building, Next to Dilkush School, Opp.Hotel Ramada Palm Grove, Juhu Tara Road, Juhu, Mumbai 400049.

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	31st March 2016 Rs.	31st March 2015 Rs.
I. Revenue from Operations	19	3 35 71 958	5 67 49 410
II. Other Income	20	17 04 406	34 91 946
<b>III. Total Revenue (I + II)</b>		<b>3 52 76 364</b>	<b>6 02 41 356</b>
IV. Expenses:			
Film Production expenses		-	-
Change in inventories	21	-	-
Employee Benefit Expense	22	1 71 36 952	1 64 76 591
Finance Cost	23	43 65 096	40 39 449
Depreciation & Amortization expense	10	12 39 625	14 02 113
Other Expenses	24	8 21 23 961	8 13 22 740
<b>Total expenses</b>		<b>10 48 65 634</b>	<b>10 32 40 893</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>(6 95 89 270)</b>	<b>(4 29 99 537)</b>
VI. Exceptional Items			
VII. Profit before extra-ordinary items (V-VI)		<b>(6 95 89 270)</b>	<b>(4 29 99 537)</b>
VIII. Extra-ordinary items			
IX. Profit before tax (VII-VIII)		<b>(6 95 89 270)</b>	<b>(4 29 99 537)</b>
X. Tax expense :			
1. Current Tax		-	-
2. Deferred Tax Liability			
XI. Profit (Loss) for the period from continuing operations (IX-X)		<b>(6 95 89 270)</b>	<b>(4 29 99 537)</b>
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)		<b>(6 95 89 270)</b>	<b>(4 29 99 537)</b>
XVI. Earning Per Equity Share :			
(1) Basic		-	-
(2) Diluted			

See accompanying notes to the financial statements  
For and on behalf of the BoardFor R. Ravindran & Associates  
Chartered Accountants  
Firm Registration No. 003222S

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
<b>Balakumar Vethagiri Giri</b>	<b>Suresh Amin</b>	<b>Dr.Ishari K Ganesh</b>	<b>V.Sridhar</b>	<b>R. Ravindran</b>
Managing Director	CFO	Director	Company Secretary	Proprietor
30th May 2016,				3rd June 2016,
Chennai				Chennai
				M.No: 023829



## GV FILMS LIMITED

Regd. Off: 001 Damini Building, Next to Dilkush School, Opp.Hotel Ramada Palm Grove, Juhu Tara Road, Juhu, Mumbai 400049.

## Cash flow statement for the year ended 31 March 2016

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(6 95 89 270)	(4 29 99 537)
Profit before tax from discontinuing operations		
Profit before tax	(6 95 89 270)	(4 29 99 537)
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation/ Amortisation	12 39 625	14 02 113
Interest Expense	43 65 096	40 39 449
Interest received	-	-
Bad debts written off	-	-
Loss/Gain on Sale of Assets	-	-
Exchange Fluctuation Loss	-	-
Extra-ordinary items	-	-
<b>Operating Profit before working capital changes</b>	<b>(6 39 84 549)</b>	<b>(3 75 57 975)</b>
<b>Movements in working capital:</b>		
Increase/ (Decrease) in Trade Payables	(11 57 28 272)	4 45 481
Increase/ (Decrease) in Long Term Provisions	8 06 843	( 36 071)
Increase/ (Decrease) in Short Term Provisions	5 99 543	( 3 84 640)
Increase/ (Decrease) in Other Current Liabilities	43 25 096	40 75 715
Decrease/ (Increase) in Trade Receivables	-	81 09 038
Decrease/ (Increase) in Inventories	-	4 75 117
Decrease/ (Increase) in Long Term Loans & Advances	-	( 8 905)
Decrease/ (Increase) in Short Term Loans & Advances	1 73 69 964	(1 83 65 692)
Decrease/ (Increase) in Other Current Assets	28 54 259	( 29 94 466)
Decrease/ (Increase) in Other non-Current Assets	-	-
Net Cash Flow From/ (Used in) operating Activities	(15 37 57 116)	(4 62 42 396)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / Purchase of Fixed Assets including intangible assets, CWIP	( 9 91 500)	(9 26 97 000)
Purchase of Investment	-	-
Proceeds from sale of fixed assets	-	-
Margin Money Deposit	-	-
Interest Received	-	-
Net Cash Flow From/ (Used in) Investing Activities (B)	( 9 91 500)	(9 26 97 000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase In Share Capital	-	-
Increase In Share Application Money	-	-
Proceeds/ (Repayments) from Long-term borrowings	-	-
Proceeds/ (Repayments) from short-term borrowings	15 99 91 874	14 41 42 048
Interest Paid	( 43 65 096)	( 40 39 449)
Dividends Paid	-	-
Net Cash Flow From/ (Used in) Financing Activities (C)	15 56 26 778	14 01 02 599
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	8 78 162	11 63 202
Cash and Cash equivalents at the beginning of the year	41 07 916	29 44 710
Cash and Cash equivalents at the end of the year	49 86 078	41 07 916

For and on behalf of the Board

For R. Ravindran & Associates  
Chartered Accountants  
Firm Registration No. 0032225

-Sd- <b>Balakumar Vethagiri Giri</b> Managing Director 30th May 2016, Chennai	-Sd- <b>Suresh Amin</b> CFO	-Sd- <b>Dr.Ishari K Ganesh</b> Director	-Sd- <b>V.Sridhar</b> Company Secretary	-Sd- <b>R. Ravindran</b> Proprietor 3rd June 2016, Chennai M.No: 023829
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**NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS**

Note	Particulars		31st March.2016	31st March.2015
	Rs.	Rs.	Rs.	Rs.
<b>3</b>	<b>SHARE CAPITAL</b>			
	Authorised			
	2000,00,00,000 Equity Shares of Rs 1/— each		20 00 00 00 000	20 00 00 00 000
	<b>Issued</b>			
	36,86,27,833 Equity Shares of Rs 1/— each		36 86 27 833	3 68 62 78 330
<b>Subscribed &amp; Paid up</b>				
36,86,27,833 Equity Shares of Rs 1/— each		36 86 27 833	3 68 62 78 330	
		36 86 27 833	3 68 62 78 330	

The company has one class of equity share having a face value of Rs.1 per share. Each shareholder of equity shares is entitled to one vote per share. Previous year the equity share having the a face value of Rs. 10

During the year The Hon'ble High Court of Bombay have confirmed the scheme of reduction of the paid up Capital of the Company vide its order dated 10th April 2015 of Rs.36,86,27,833/— divided into 36,86,27,833 equity shares of Re.1/— each. Reduced from Rs.368,62,78,330/— divided into 36,86,27,833 equity shares of Rs.10/— each. In line with scheme of capital reduction the Board Directors has allotted one new share of Re.1/— each as fully paid up. Consequently the cumulative losses of the company are adjusted by Rs.331,76,50,497/— to the extent of reduction of Equity Share Capital

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

Particulars	Number Value	31st March.2016 in Rs.	Number Value	31st March.2015 in Rs.
Authorised Equity Shares of Re 1/— each (Previous year equity shares of Rs.10 each)	20 00 00 00 000	20 00 00 00 000	2 00 00 00 000	20 00 00 00 000
Issued Equity Shares of Re 1/— each (Previous year equity shares of Rs.10 each)	36 86 27 833	36 86 27 833	36 86 27 833	3 68 62 78 330
Subscribed & Paid up Equity Shares of Re.1 each fully paid (Previous year equity shares of Rs.10 each)	36 86 27 833	36 86 27 833	36 86 27 833	3 68 62 78 330
	36 86 27 833	36 86 27 833	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.**

	Number Value	31st March.2016 in Rs.	Number Value	31st March.2015 in Rs.
Shares outstanding at the beginning of the year	36 86 27 833	36 86 27 833	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	<b>36 86 27 833</b>	<b>36 86 27 833</b>	<b>36 86 27 833</b>	<b>3 68 62 78 330</b>

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

Note	Particulars	31st March.2016 Rs.	31st March.2015 Rs.
4	<b>RESERVES &amp; SURPLUS</b>		
	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	0	—
	Premium on Redemption of Debentures	—	—
	For Issuing Bonus Shares		
	Closing Balance	<b>86 13 88 700</b>	<b>86 13 88 700</b>
	Other Reserves	—	—
	Opening Balance	7 11 86 589	7 15 33 466
	(+) Current Year Transfer	—	( 3 46 877)
	(-) Written Back in Current Year	—	—
	Closing Balance	<b>7 11 86 589</b>	<b>7 11 86 589</b>
	Surplus	—	—
	Opening balance	(424 02 83 893)	(419 72 84 357)
	(+) Net Profit/(Net Loss) For the current year	(6 95 89 270)	(4 29 99 537)
	(+) Transfer from Reserves	—	—
	(-) Proposed Dividends	—	—
	(-) Interim Dividends	—	—
	(-) Transfer to Reserves	(331 76 50 497)	—
	Closing Balance	(99 22 22 666)	(424 02 83 893)
		<b>(5 96 47 377)</b>	<b>(330 77 08 604)</b>
5	<b>LONG TERM PROVISIONS</b>		
	Provision for employee benefits	—	—
	Gratuity (unfunded)	26 07 373	18 00 530
		<b>26 07 373</b>	<b>18 00 530</b>
6	<b>SHORT TERM BORROWINGS</b>		
	Unsecured	—	—
	Loans and advances from related parties	63 68 56 795	47 43 13 923
	Deposits	65 00 000	65 00 000
	Other loans and advances	77 69 292	1 03 20 291
		<b>65 11 26 087</b>	<b>49 11 34 214</b>

**6.1. Loans and advances from related parties**

Related Party	Relationship	Opening Balance	Fresh loans received	Repaid	Closing Balance
M.V.Balagiri	CMDDirector	2 07 73 909		37 22 506	1 70 51 403
Mahadevan Ganesh	Director	1 09 48 165	16 00 000		1 25 48 165
Ishari K Ganesh	Director		13 86 25 000	89 80 000	12 96 45 000
Isari Ganesh Arthi	Director		6 50 00 000		6 50 00 000
Prabudeva Studios P Ltd	Common Director- Dr. Ishari K Ganesh		30 00 000	3 22 500	26 77 500
Southside Hotels & Resorts Ltd.	Common Director - Mr. Mahadevan Ganesh	3 06 89 584		8 75 006	2 98 14 578
Sidhesh Corporation Ltd.	Common Director - Mr. M.V.Balagiri	10 28 26 960	17 49 60 259	14 26 72 000	13 51 15 219
Sidhesh Enterprises	Firm of CMDirector	21 15 22 931	18 62 34 276	26 65 76 308	13 11 80 899
Sidhesh Films	Firm of CMDirector	1 58 38 891			1 58 38 891
Strawberry Events	Firm of CMDirector	1 31 17 023	32 30 673	5 00 000	1 58 47 696
GV Studio City Ltd.	Subsidiary	1 89 72 024	80 23 984	16 00 000	2 53 96 008
Sahana Films Limited	Common Director - Mr. M.V.Balagiri	4 96 24 437	71 17 000		5 67 41 437
	<b>Total</b>	<b>47 43 13 923</b>	<b>38 11 66 192</b>	<b>41 59 45 820</b>	<b>63 68 56 795</b>

**6.2 Deposits**

	Nature of deposit	Date of deposit Renewal	Amount	Rate of interest
Tanjore Theatres	Rent Advance	01.06.2012	60 00 000	Nil
	Rent Advance	01.10.2012	1 00 000	Nil
	Rent Advance	01.10.2012	4 00 000	Nil
			<b>65 00 000</b>	

**7 . TRADE PAYABLE**

Trade payable	2 30 70 218	13 87 98 490
	<b>2 30 70 218</b>	<b>13 87 98 490</b>

The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2016

**8 OTHER CURRENT LIABILITIES**

Note	Particulars	31st March 2016 Rs.	31st March 2015 Rs.
	Interest accrued and due on borrowings	2 79 30 464	2 36 05 368
	Capital advance	-	-
	Other creditors payable	17 33 40 266	17 33 40 266
		<b>20 12 70 730</b>	<b>19 69 45 634</b>

8.1 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.

**9. SHORT TERM PROVISIONS**

Provision for employee benefits		
Salary & Reimbursements	21 55 809	12 00 403
Statutory dues		
Contribution to PF	1 90 018	1 03 572
ESI payable	21 648	27 763
Labour Welfare Fund	448	448
Professional Tax	66 030	53 605
Tax deducted at source	19 18 857	20 86 232
Service Tax	3 78 630	3 78 630
Provision for Leave Encashment	45 000	45 000
Provision for expenses	1 58 980	4 40 224
	<b>49 35 420</b>	<b>43 35 877</b>

10. Fixed Assets

Depreciation	Gross block - at cost			Depreciation/Amortisation					Net block	
	As at April 1, 2015	Additions	Disposal	As at March 31, 2016	Upto April 1, 2015	For the 12 Months ended	Tfr to Opening Reserve	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>TANGIBLE</b>										
Leasehold land		-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	12,817,165	975,000	-	13,792,165	10,483,452	1,238,261	-	11,721,713	2,070,452	2,333,713
Office equipment	2,729,921	16,500	-	2,746,421	2,593,425	1,365	-	2,594,790	151,631	136,496
Computer and accessories	-	-	-	-	-	-	-	-	-	-
Vehicles	10,977,861	-	-	10,977,861	10,428,968	-	-	10,428,968	548,893	548,893
<b>Total</b>	<b>26,524,947</b>	<b>991,500</b>	<b>-</b>	<b>27,516,447</b>	<b>23,505,845</b>	<b>1,239,626</b>	<b>-</b>	<b>24,745,471</b>	<b>3,019,102</b>	<b>-</b>
<b>INTANGIBLE</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital work-in-progress**	92,697,000			92,697,000					92,697,000	92,697,000
<b>Grand Total</b>	<b>119,221,947</b>	<b>991,500</b>	<b>-</b>	<b>120,213,447</b>	<b>23,505,845</b>	<b>1,239,626</b>	<b>-</b>	<b>24,745,471</b>	<b>95,467,976</b>	<b>95,716,102</b>
Previous year	119,221,947	-	-	119,221,947	21,756,855	1,402,113	346,877	23,505,845	95,716,102	97,465,092

11 NON-CURRENT INVESTMENTS (Valued at Cost)

31st March.2016

31st March.2015

(a) investment in Equity Instruments:

Number

Value

Number

Value

Quoted

GSFC

18 800

1 88 000

18 800

1 88 000

Unquoted

Subsidiary Companies Extent of holding: 100%

- GV Studio City Limited

1 50 50 000

15 05 00 000

1 50 50 000

15 05 00 000

Others

Pixel Box Office Pte. Ltd., Singapore

(@Sing.\$ 1/each

4 81 000

14 76 964

4 81 000

14 76 964

(b) investment in Debentures/Bonds

Quoted

(Units)

(Units)

Unit Trust of India

792

8496

792

8496

15 21 73 460

15 21 73 460

Note Particulars

31st March.2016

31st March.2015

Rs.

Rs.

12. DEFERRED TAX ASSET

Deferred Tax Asset

11 64 657

11 64 657

11 64 657

11 64 657

**13. LONG TERM TERM LOANS AND ADVANCES****a. Capital Advances**

Unsecured, considered good

Advance for capex

26 12 76 121

26 12 76 121

Advance for investments

-

-

**26 12 76 121****26 12 76 121****b. Security Deposits**

Unsecured, considered good

2 89 395

2 89 395

Unsecured, considered Doubtful

39 050

39 050

**3 28 445****3 28 445****26 16 04 566****26 16 04 566****14 INVENTORIES**

a. Work-in-progress ( Films under Production)

15 34 20 500

15 34 20 500

b. Stock-in-trade ( Film Rights)

41 30 20 844

41 30 20 844

**56 64 41 344****56 64 41 344**

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

Unsecured, considered doubtful

Trade receivables outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good

Unsecured, considered doubtful

5 19 32 282

5 19 32 282

**5 19 32 282****5 19 32 282****5 19 32 282****5 19 32 282**

Rs.

Rs.

**16. CASH AND CASH EQUIVALENTS**

a. Balances with banks

16 76 854

26 37 108

b. Cash on hand

33 09 222

14 70 807

**49 86 077****41 07 916****17. SHORT TERM LOANS AND ADVANCES**

a. Loans and advances to related parties Unsecured, considered good

1 39 33 307

2 90 77 427

**1 39 33 307****2 90 77 427****b. Others**

Unsecured, considered good

3 60 60 967

3 82 86 813

Doubtful

29 83 000

29 83 000

**3 90 43 967****4 12 69 813****5 29 77 275****7 03 47 241**

**17.1. Loans and advances to related parties:**

Related Party	Relationship	Opening Balance	Repaid	Paid	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	1 33 21 562	3 32 11 427	3 25 93 371	1 27 03 506
Space Hospitals Ltd.	Relative of Key Manage-ment Personnel	8 70 819			8 70 819
M.V Balagiri	CMDirector	1 47 50 424	1 45 26 064		2 24 360
		<b>2 90 77 427</b>	<b>4 77 37 491</b>	<b>3 25 93 371</b>	<b>1 39 33 307</b>

**18. OTHER CURRENT ASSETS**

Miscellaneous expenditure			
Others	31 83 051	43 34 558	
TDS Receivable	12 21 663	26 73 911	
Input Service Tax	8 37 932	10 88 436	
	<b>52 42 646</b>	<b>80 96 905</b>	
	<b>52 42 646</b>	<b>80 96 905</b>	

**19. REVENUE FROM OPERATIONS**

Income from Film Exhibition	3 35 71 958	5 67 49 410
	<b>3 35 71 958</b>	<b>5 67 49 410</b>

**20. OTHER INCOME**

Interest earned		
Rent & Maintenance charges	16 53 075	16 51 145
Miscellaneous Income	51 331	
Provisions w/o		6 07 701
Unpaid Creditors		12 33 100
	<b>17 04 406</b>	<b>34 91 946</b>

**21. CHANGES IN INVENTORIES**

Opening Stock	56 64 41 344	56 64 41 344
Closing Stock	56 64 41 344	56 64 41 344
	-	-
Less: Exceptional Items (inrease)/Decrease	-	-
Note Particulars	31st March.2016	31st March.2015
	Rs.	Rs.

**22. EMPLOYEE BENEFIT EXPENSE**

Salary & Wages	1 57 24 372	1 48 86 463
Staff Welfare	1 15 223	8 11 137
Contribution to Provident Fund	2 61 670	4 82 271
Contribution to Employee State Insurance		1 24 817
Gratuity	10 35 687	1 71 903
	<b>1 71 36 952</b>	<b>1 64 76 591</b>

**23. FINANCE COST**

Interest on loans	43 65 096	40 39 449
	<b>43 65 096</b>	<b>40 39 449</b>

**24. OTHER EXPENSES**

Advertisement & Publicity	9 57 024	1 07 447
Meeting Expenses	34 99 917	-
Bank Charges	41 004	3 56 412
Books & Periodicals	5 083	-
Distributors' share	2 66 09 555	3 72 20 120
Payment to Auditors	11 45 000	10 11 240
Legal & Professional Charges	82 85 620	1 00 48 390
Service Charges	83 403	3 65 958
Power & Fuel	40 79 302	39 87 012
Rent	1 09 28 964	63 91 334
Repairs to machinery	19 90 904	14 66 425
Repairs to Building	-	25 49 731
Repairs to Office	5 45 643	8 49 238
Repairs to Vehicles	3 48 570	1 50 900
Insurance	1 71 919	2 32 149
Rates & Taxes	87 37 748	9 76 131
Bad debts written off	-	78 57 503
Postage, Trunks & Telephones	1 32 585	62 158
Printing & Stationery	3 86 403	2 88 266
Travelling & Conveyance	20 41 266	14 87 437
Exchange Fluctuation Loss	16 83 851	-
Car Expenses	22 43 079	33 69 412
Event Expenses	-	2 15 500
Telephone Expenses	2 41 025	1 98 621
Security Charges	1 53 816	1 30 000
Donation	15 000	-
Miscellaneous Expenses	1 53 401	-
Web Maintenance	40 205	-
Web Launch Event Expenses	32 38 108	-
Miscellaneous Expenses	43 65 566	20 01 356
	<b>8 21 23 961</b>	<b>8 13 22 740</b>

**For R. Ravindran & Associates**

Chartered Accountants

Firm Registration No. 003222S

For and on behalf of the **Board**

**-Sd-**  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

**-Sd-**  
**Suresh Amin**  
CFO

**-Sd-**  
**Dr.Ishari K Ganesh**  
Director

**-Sd-**  
**V.Sridhar**  
Company Secretary

**-Sd-**  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
Chennai



## GV FILMS LIMITED

Significant accounting policies & notes on accounts forming part of accounts for the year ended 31st March 2016.

### 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, 2013 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.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Depreciation has been provided on the assets which are put to use on straight line value Method at the rates specified in Schedule II of the Companies Act, 2013.

#### 1.4 Employee Benefits

Liability for employee benefits, 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 G.V.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 long 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 2015-16 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.

## **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF A GROUP UNDER THE COMPANIES ACT, 2013 AND THE RULES THEREUNDER INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GV FILMS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **M/s. GV FILMS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary **M/s. GV STUDIO CITY LIMITED** (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and

other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

## GV Films Ltd

material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements have not disclosed the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

Chennai,  
3rd June 2016

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

Firm Registration No. 003222S

**-Sd-**  
**R. Ravindran**  
**Proprietor**  
M No 023829

## Annexure to Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016 we have audited the internal financial controls over financial reporting of **GV FILMS LIMITED** (the Holding Company) and its Subsidiary company **G V STUDIO CITY LIMITED** which are companies incorporated in India, as of the date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for Holding Company and its Subsidiary company which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

Firm Registration No. 003222S

-Sd-

**R. Ravindran**  
**Proprietor**

M No 023829

Chennai,  
3rd June 2016

**CONSOLIDATED BALANCE SHEET OF GV FILMS LIMITED  
AND ITS SUBSIDIARY GV STUDIO CITY LIMITED AS AT 31ST MARCH, 2016**

Notes	31st March 2016	31st March 2015
	Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>		
(a) Share Capital	3 36 86 27 833	3 68 62 78 330
(b) Reserves & Surplus	4 ( 12 37 95 093)	(3 36 07 99 245)
(c) Money Received Against Share Warrants	-	-
<b>Non-Current Liabilities</b>		
(a) Long term borrowings	-	-
(b) Deferred Tax liabilities (net)	-	-
(c) Other long term liabilities	-	-
(d) Long term provisions	5 26 07 373	18 00 533
<b>Current Liabilities</b>		
(a) Short term borrowings	6 68 52 48 767	47 33 46 202
(b) Trade payables	7 2 51 79 041	13 93 79 861
(c) Other Current liabilities	8 22 65 94 016	19 69 45 634
(d) Short term provisions	9 54 05 413	48 14 228
	<b>1 18 98 67 350</b>	<b>1 14 17 65 543</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
(a) Fixed Assets		
(i) Tangible assets	10 10 54 60 110	9 36 80 718
(ii) Intangible Assets	-	-
(iii) Capital Work in Progress	9 26 97 000	9 26 97 000
(iv) Intangible assets held under development	-	-
(b) Non Current investments	11 16 73 460	16 73 460
(c) Deferred Tax Assets	12 ( 17 438)	( 17 438)
(d) Long term loans & advances	13 26 16 94 566	26 16 94 566
(e) Other non-current assets		
<b>Current Assets</b>		
(a) Current investments		
(b) Inventories	14 56 64 41 344	56 64 41 344
(c) Trade receivable	15 5 21 44 555	5 26 67 923
(d) Cash and bank balances	16 51 79 342	43 99 643
(e) Short term loans & advances	17 9 79 27 151	5 93 11 175
(f) Other current assets	18 66 67 261	92 17 153
	<b>1 18 98 67 350</b>	<b>1 14 17 65 543</b>

See accompanying notes to the financial statements  
For and on behalf of the **Board**

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

-Sd-  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

-Sd-  
**Suresh Amin**  
CFO

-Sd-  
**Dr. Ishari K Ganesh**  
Director

-Sd-  
**V. Sridhar**  
Company Secretary

-Sd-  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
Chennai  
M No 023829

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS OF GV FILMS LIMITED  
AND ITS SUBSIDIARY GV STUDIO CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016**

	Notes	31st March 2016	31st March 2015
		Rs.	Rs.
I. Revenue from Operations	19	3 44 05 291	5 67 49 410
II. Other Income	20	17 04 406	34 91 946
<b>III. Total Revenue (I + II)</b>		<b>3 61 09 697</b>	<b>6 02 41 356</b>
IV. Expenses:			
Change in inventories	21	-	-
Employee Benefit Expense	22	1 79 10 319	1 64 76 591
Finance Cost	23	43 65 096	40 39 449
Depreciation & Amortization expense	10	1 23 49 909	1 21 28 962
Other Expenses	24	8 21 30 718	7 92 62 040
<b>Total expenses</b>		<b>11 67 56 042</b>	<b>11 19 07 042</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>(8 06 46 345)</b>	<b>(5 16 65 686)</b>
VI. Exceptional Items			
VII. Profit before extra-ordinary items (V-VII)		<b>(8 06 46 345)</b>	<b>(5 16 65 686)</b>
VIII. Extra-ordinary items			
IX. Profit before tax (VII-VIII)		<b>(8 06 46 345)</b>	<b>(5 16 65 686)</b>
X. Tax expense :			
1. Current Tax			
2. Deferred Tax Liability			
XI. Profit (Loss) for the year from continuing operations (IX-X)		<b>(8 06 46 345)</b>	<b>(5 16 65 686)</b>
XII. Profit (Loss) for the year from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit (Loss) for the year from discontinuing operations (After Tax) (XII-XIII)			
XV. Profit (Loss) for the year(XI + XIV)		<b>(8 06 46 345)</b>	<b>(5 16 65 686)</b>
XVI. Earning Per Equity Share :			
(1) Basic		-	-
(2) Diluted			

For and on behalf of the **Board**

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

-Sd-  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

-Sd-  
**Suresh Amin**  
CFO

-Sd-  
**Dr. Ishari K Ganesh**  
Director

-Sd-  
**V. Sridhar**  
Company Secretary

-Sd-  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
Chennai  
M No 023829

**CONSOLIDATED CASH FLOW STATEMENT OF GV FILMS LIMITED AND ITS  
SUBSIDIARY GV STUDIO CITY LIMITED FOR THE YEAR ENDED MARCH 31, 2016**

	31-Mar-16	31-Mar-15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(8 06 46 345)	(5 16 65 686)
Profit before tax from discontinuing operations		
Profit before tax	(8 06 46 345)	(5 16 65 686)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	1 23 49 909	1 21 28 962
Interest Expense	43 65 096	40 39 449
Interest received	-	-
Bad debts	-	-
Extra-ordinary items	-	-
Exchange Fluctuation Loss	-	-
Operating Profit before working capital changes	<b>(6 39 31 340)</b>	<b>(3 54 97 275)</b>
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	(11 42 00 819)	8 16 285
Increase/ (Decrease) in Long Term Provisions	8 06 843	( 36 071)
Increase/ (Decrease) in Short Term Provisions	5 91 183	( 2 70 220)
Increase/ (Decrease) in Other Current Liabilities	2 96 48 382	40 75 715
Other Long Term Liabilities		
Decrease/ (Increase) in Trade Receivables	5 23 367	81 09 038
Decrease/ (Increase) in Inventories	-	( 1 67 524)
Decrease/ (Increase) in Long Term Loans & Advances	-	( 8 905)
Decrease/ (Increase) in Short Term Loans & Advances	63 80 994	(1 83 65 692)
Decrease/ (Increase) in Other Current Assets	25 49 892	(1 81 04 169)
Decrease/ (Increase) in Other Non Current Assets	-	2 19 000
<b>Net Cash Flow From/ (Used in) operating Activities</b>	<b>(13 76 31 498)</b>	<b>(5 92 29 816)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including intangible assets, CWIP	(2 41 29 299)	(9 26 97 000)
Purchase of Investment	-	-
Proceeds from sale of fixed assets	-	-
Margin Money Deposit	-	-
Interest Received	-	-
Net Cash Flow From/ (Used in) Investing Activities	(241 29 299)	(926 97 000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase In Share Capital	-	-
Increase In Share Application Money	-	-
Proceeds/ (Repayments) from Long-term borrowings	-	-
Proceeds/ (Repayments) from short-term borrowings	16 69 05 595	15 74 19 131
Interest Paid	( 43 65 096)	( 40 39 449)
Capital expenditure	-	-
Dividends Paid	-	-
Net Cash Flow From/ (Used in) Financing Activities	16 25 40 499	15 33 79 682
Net Increase/ (decrease) in cash and cash equivalents	7 79 699	14 52 867
Cash and Cash equivalents at the beginning of the year	43 99 643	29 46 776
Cash and Cash equivalents at the end of the year	51 79 342	43 99 643

For and on behalf of the Board

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

-Sd-	-Sd-	-Sd-	-Sd-	-Sd-
<b>Balakumar Vethagiri Giri</b>	<b>Suresh Amin</b>	<b>Dr.Ishari K Ganesh</b>	<b>V.Sridhar</b>	<b>R. Ravindran</b>
Managing Director	CFO	Director	Company Secretary	Proprietor
30th May 2016, Chennai				3rd June 2016, Chennai M No 023829

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

Note	Particulars	31st March 2016 Rs.	31st March 2015 Rs.
<b>3.SHARE CAPITAL</b>			
<u>Authorised</u>			
	20 00 00 00 000 Equity Shares of Re.1/- each	20 00 00 00 000	20 00 00 00 000
<u>Issued</u>			
	368 62 78 33 equity shares @ Re. 1/- each	36 86 27 833	3 68 62 78 330
<u>Subscribed and Paid up Share Capital :</u>			
	36 86 27 833 equity shares @ Re. 1/- each	36 86 27 833	3 68 62 78 330
		<b>36 86 27 833</b>	<b>3 68 62 78 330</b>

The company has one class of equity share having a face value of Rs.1 per share. Each shareholder of equity shares is entitled to one vote per share. Previous year the equity share having the a face value of Rs. 10

During the year The Hon'ble High Court of Bombay have confirmed the scheme of reduction of the paid up Capital of the Company vide its order dated 10th April 2015 of Rs.36,86,27,833/- divided into 36,86,27,833 equity shares of Re.1/- each. Reduced from Rs.368,62,78,330/- divided into 36,86,27,833 equity shares of Rs.10/- each. In line with scheme of capital reduction the Board Directors has allotted one new share of Re.1/- each as fully paid up. Consequently the cumulative losses of the company are adjusted by Rs.331,76,50,497/- to the extent of reduction of Equity Share Capital.

**4 RESERVES & SURPLUS**

<u>Securities Premium Account</u>			
	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	<b>86 13 88 700</b>	<b>86 13 88 700</b>
<u>Other Reserves</u>			
	Opening balance	<b>7 15 33 466</b>	<b>7 15 33 466</b>
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	--
	Closing Balance	<b>7 15 33 466</b>	<b>7 15 33 466</b>
<u>Surplus</u>			
	Opening balance	(429 37 21 411)	(423 24 71 858)
	(+) Net Profit/(Net Loss) For the current year	(8 06 46 345)	(5 16 65 687)
	(+) Transfer from Reserves	-	( 95 83 866)
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	--
	(-) Transfer to Reserves	(331 76 50 497)	-
	Closing Balance	<b>(105 67 17 259)</b>	<b>(429 37 21 411)</b>
	Adjustment for Goodwill on consolidation	-	-
		<b>(12 37 95 093)</b>	<b>(336 07 99 245)</b>



Note	Particulars	31st March 2016 Rs.	31st March 2015 Rs.
<b>5 LONG TERM PROVISIONS</b>			
	Provision for employee benefit Gratuity (unfunded)	26 07 373	18 00 533
		<b>26 07 373</b>	<b>18 00 533</b>
<b>6. SHORT TERM BORROWINGS</b>			
	Secured		
	Loan repayable on demand		
	Term Loan from Banks		
	Loans from related parties	67 09 79 475	45 65 25 911
	Other Loans & Advances	77 69 292	1 03 20 291
	Deposits	65 00 000	65 00 000
		<b>68 52 48 767</b>	<b>47 33 46 202</b>
<b>7. TRADE PAYABLES</b>			
	Trade payable-others	2 51 79 041	13 93 79 861
		<b>2 51 79 041</b>	<b>13 93 79 861</b>
The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2016			
<b>8. OTHER CURRENT LIABILITIES</b>			
	Other creditors payable	19 86 63 552	17 33 40 266
	Interest Accrued and due on Borrowings	2 79 30 464	2 36 05 368
	Capital Advance		
		<b>22 65 94 016</b>	<b>19 69 45 634</b>
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.			
<b>9. SHORT TERM PROVISIONS</b>			
<u>Provision for Employee Benefits</u>			
	Salary and Reimbursements	21 55 809	12 00 403
<u>Statutory dues</u>			
	Contribution to P.F.	1 90 018	1 03 572
	ESI payable	21 648	27 763
	Labour Welfare Fund	448	448
	Professional Tax	66 030	53 605
	Tax deducted at source	19 18 857	20 86 232
	Service Tax	3 78 630	3 78 630
	Leave Encashment	45 000	45 000
<u>Provision for Tax</u>			
	Fringe Benefit Tax		
	Provision for expenses	6 28 973	9 18 575
		<b>54 05 413</b>	<b>48 14 228</b>

**10. Fixed Assets**

Depreciation	Gross block - at cost				Depreciation/Amortisation				Net block	
	As at April 1, 2015	Additions / (Disposal)	Revaluations/ (Impairments)	As at March 31, 2016	Upto April 1, 2015	For the 12 Months ended	On Disposals	Upto March 31, 2016	As at March 31, 2015	As at March 31, 2016
<b>TANGIBLE</b>										
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	38 60 886	3 71 192	-	42 32 078	1 92 99 941	1 89 28 749
Plant and machinery	1 95 05 449	2 02 98 745	-	3 98 04 194	92 94 309	21 05 543	-	1 13 99 852	1 02 11 140	2 84 04 342
Furniture and fixtures	1 57 28 113	21 75 504	-	1 79 03 617	1 23 60 735	17 59 199	-	1 41 19 934	33 67 378	37 83 683
Office equipment	1 93 20 478	6 68 050	-	1 99 88 528	1 83 54 454	13 205	-	1 83 67 659	9 66 024	16 20 869
Computer and accessories	-	9 87 000	-	9 87 000	-	16 692	-	16 962	-	9 70 038
Vehicles	1 10 39 861	-	-	1 10 39 861	1 04 39 611	5 913	-	1 04 45 524	6 00 250	5 94 337
<b>Subtotal</b>	<b>13 99 12 818</b>	<b>2 41 29 999</b>	<b>-</b>	<b>16 40 42 117</b>	<b>5 43 09 995</b>	<b>42 72 014</b>	<b>-</b>	<b>5 85 82 009</b>	<b>8 56 02 823</b>	<b>10 54 60 108</b>
<b>INTANGIBLE ASSETS</b>										
Goodwill	4 03 89 480	-	-	4 03 89 480	3 23 11 584	80 77 896	-	4 03 89 480	80 77 896	-
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>										
Webcasting Portal (Under Construction)	9 26 97 000	-	-	9 26 97 000	-	-	-	-	9 26 97 000	9 26 97 000
<b>Total</b>	<b>27 29 99 298</b>	<b>2 41 29 299</b>	<b>-</b>	<b>29 71 28 597</b>	<b>8 66 21 579</b>	<b>1 23 49 910</b>	<b>-</b>	<b>9 89 71 489</b>	<b>18 63 77 719</b>	<b>19 81 57 108</b>
Previous year	18 03 02 298	9 26 97 000	-	27 29 99 928	6 49 08 751	1 21 28 962	95 83 866	8 66 21 579	11 53 93 547	18 63 77 719

**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
<b>Investment in Debentures/Bonds</b> 792 Units -( US 64 ) of Rs 10/- each in UTI	8 496	8 496
<b>Unquoted</b> 4,81,000 shares of Pixel Box office Pte. Ltd , Singapore in Sing \$ of 1 each	14 76 964	14 76 964
	<b>16 73 460</b>	<b>16 73 460</b>

**12 DEFERRED TAX (ASSET)**

Deferred Tax (Asset)	( 17 438)	( 17 438)
	<b>(17 438)</b>	<b>( 17 438)</b>

**13. LONG TERM LOANS & ADVANCES**

Security Deposits		
Unsecured considered good	3 79 395	2 89 395
Unsecured, considered Doubtful	39 050	1 29 050
Capex advances Unsecured considered good	26 12 76 121	26 12 76 121
	<b>26 16 94 566</b>	<b>26 16 94 566</b>

**14. INVENTORIES**

a. Work-in-progress (Film Production)	15 34 20 500	15 34 20 500
b. Stock-in-trade (Film Rights)	41 30 20 844	41 30 20 844
	<b>56 64 41 344</b>	<b>56 64 41 344</b>

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

**15. TRADE RECEIVABLE**

Outstanding for More than 6 months from the due date Unsecured, considered good	5 21 44 556	-
<b>Outstanding for less than 6 months from the due date</b> Unsecured, considered good	-	5 26 67 923
	<b>5 21 44 556</b>	<b>5 26 67 923</b>

**16. CASH & CASH EQUIVALENT**

Cash in hand	33 11 286	14 72 873
Balance with Banks	18 68 056	29 26 770
	<b>51 79 342</b>	<b>43 99 643</b>

Note	Particulars	31st March 2016 Rs.	31st March 2015 Rs.
<b>17. SHORT TERM LOANS &amp; ADVANCES</b>			
	Loans & Advances to related parties Unsecured, considered good	5 40 61 829	1 77 84 993
	Other Loans & Advances Trade Advances	-	2 56 369
		<b>5 40 61 829</b>	<b>1 80 41 362</b>
	Other Loans & Advances Unsecured -Considered Good	4 08 82 322	3 82 86 813
	Unsecured -Considered Doubtful	29 83 000	29 83 000
		<b>4 38 65 322</b>	<b>4 12 69 813</b>
		<b>9 79 27 151</b>	<b>5 93 11 175</b>
<b>18. OTHER CURRENT ASSETS</b>			
	Miscellaneous expenditure Preliminary expenses	4 38 000	6 57 000
	Less: Written off to P&L A/c	2 19 000	2 19 000
		2 19 000	4 38 000
	TDS on receipts	19 03 911	24 72 428
	Service Tax (Input)	8 37 932	19 72 167
	Others	37 06 418	43 34 558
		<b>66 67 261</b>	<b>92 17 153</b>
<b>19. REVENUE FROM OPERATIONS</b>			
	Income from Exhibition	3 44 05 291	5 67 49 410
		<b>3 44 05 291</b>	<b>5 67 49 410</b>
<b>20. OTHER INCOME</b>			
	Interest earned		
	Rent & Maintenance	16 53 075	16 51 145
	Miscellaneous Income	51 331	6 07 701
	Provisions W/O	-	12 33 100
	<b>Unpaid Creditors</b>	<b>17 04 406</b>	<b>34 91 946</b>
<b>21. CHANGES IN INVENTORIES</b>			
	<b>Film Rights</b>		
	<b>Opening Stock</b>	<b>56 64 41 344</b>	<b>56 64 41 344</b>
	<b>Closing Stock</b>	<b>56 64 41 344</b>	<b>56 64 41 344</b>
	Less: Exceptional Items		
	<b>(Increase)/Decrease</b>	<b>0</b>	<b>0</b>
<b>22. EMPLOYEE BENEFIT EXPENSES</b>			
	Salary & Wages	1 64 97 739	1 48 86 463
	Staff Welfare	1 15 223	8 11 137
	Provident Fund	2 61 670	4 82 271
	ESI	-	1 24 817
	Gratuity	1,035,687	1 71 903
		<b>1 79 10 319</b>	<b>1 64 76 591</b>

Note	Particulars	31st March 2016 Rs.	31st March 2015 Rs.
<b>23. FINANCIAL CHARGES</b>			
	Interest on loans	43 65 096	40 39 449
		<b>43 65 096</b>	<b>40 39 449</b>
<b>24. OTHER EXPENSES</b>			
	Advertisement & Publicity	9 57 024	1 07 447
	Meeting Expenses	34 99 917	—
	Bank Charges	41 004	4 27 382
	Books & Periodicals	5 083	-
	Distributors' share	3 02 60 712	3 72 20 120
	Payment to auditor as auditor	12 59 500	11 25 660
	Legal & Professional Charges	82 85 620	1 00 48 390
	Service Charges	83 403	3 65 958
	Power and fuel	40 79 302	39 87 012
	Rent	53 62 964	39 19 334
	Repair to machinery	31 10 907	14 66 425
	Repair to Building	-	25 49 731
	Repairs to Office	5 45 643	8 49 238
	Repairs to Vehicles	3 48 570	1 50 900
	Insurance	1 71 919	2 32 149
	Rates & Taxes	88 34 298	9 76 131
	Bad debts written off	-	78 57 503
	Postage, Trunks & Telephones	1 32 585	62 158
	Miscellaneous Expenses W/o	2 19 000	2 19 000
	Printing & Stationery	3 86 403	2 88 266
	Travelling & Conveyance	22 93 766	14 87 437
	Exchange Fluctuation Loss	16 83 851	-
	Repairs to car	22 43 079	33 69 412
	Event Expenses	-	2 15 500
	Telephone Expenses	2 75 472	1 98 621
	Security Charges	1 53 816	1 30 000
	Other expenses	78 41 675	20 08 266
	Donation	15 000	-
	Web Maintenance	40 205	-
		<b>8 21 30 718</b>	<b>7 92 62 040</b>

For and on behalf of the **Board**

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

**-Sd-**  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

**-Sd-**  
**Suresh Amin**  
CFO

**-Sd-**  
**Dr. Ishari K Ganesh**  
Director

**-Sd-**  
**V.Sridhar**  
Company Secretary

**-Sd-**  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
Chennai  
M No 023829

## GV FILMS LIMITED

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 2016.

### 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.

he 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.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

Depreciation has been provided on the assets which are put to use on straight line value Method at the rates specified in Schedule II of the Companies Act, 2013.

#### 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.

## GV Films Ltd

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 2015-16 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.

For and on behalf of the Board

**-Sd-**  
**Balakumar Vethagiri Giri**  
Managing Director  
30th May 2016,  
Chennai

**-Sd-**  
**Suresh Amin**  
CFO

**-Sd-**  
**Dr.Ishari K Ganesh**  
Director

**-Sd-**  
**V.Sridhar**  
Company Secretary

**-Sd-**  
**R. Ravindran**  
Proprietor  
3rd June 2016,  
Chennai  
M No 023829

## 2. GENERAL NOTES ON ACCOUNTS

### 2.1 Accounting Period

The period of accounts under review is from April 1, 2015 to March 31, 2016 for GV Films Limited and its wholly owned subsidiary.

### 2.2 Receivables & Payables

Trade creditors, Trade receivables, loans & advances are subject to review / reconciliation / confirmation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations/ identification of doubtful and bad debts/ advances

### 2.3 Contingent Liability

Liability	2015-16 Rs	2014-15 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 Provisions for Taxation

Liability	2015-16 Rs	2014-15 Rs
Tax under MAT	Nil	Nil

### 2.5 Foreign Exchange earnings and outflow

Earnings / Outflow	2015-16 Rs	2014-15 Rs
Foreign Exchange earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL
FCC Bonds (Principal)	NIL	NIL

### Business Segments

The company has two business segments as under.

Segment	Capital Employed Rs	Sales / Service / Other Income Rs	Profit / (Loss) Rs
Film Distribution	168 69 05 000		
Film Exhibition	7 96 84 000	3 61 09 697	(8 62 12 345)
Total	176 65 89 000	3 61 09 697	(8 62 12 345)

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

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

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

**GV FILMS LIMITED**

**CIN: L92490MH1989PLC238780**

Registered Office : 001,, 001, Damini Building, Next to Dilkhush School, Opp. Ramada Plam Grove, Juhu Tara Road, Juhu, Vile Parle (W), Mumbai - 400049. Tel No: 022 26135905/ 10 , 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	

I hereby record my presence at the 27th Annual General Meeting of the Company being held on the Saturday 30th July, 2016 at at Mayors Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, CD Barfiwala Marg, Juhu Lane, Andheri West, Mumbai 400058

Signature of the Shareholder/Proxy Present \_\_\_\_\_

Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

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 26135905/10 , Email Id: cs.gvfilms@gmail.com , Website: [www.gvfilms.com](http://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) holding \_\_\_\_\_ shares of the above named company, hereby appoint :

- Name : \_\_\_\_\_ Address \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- Name : \_\_\_\_\_ Address \_\_\_\_\_  
E-mail Id : \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him
- 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 27<sup>th</sup> Annual general meeting of the company, to be held on Saturday, the 30th July, 2016 at 4.00 p.m. at Mayors Hall, All India Institute Of Local Self Government, Sthanikraj Bhavan, CD Barfiwala Marg, Juhu Lane, Andheri West, Mumbai 400058 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Sl.No. of Resolutions (as in the Notice annexed)**

1	2	3	4	5	6	7	8	9
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Tick Mark the Sl.No of Resolutions for which the proxy is appointed)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016 Signature of Proxy holder(s) \_\_\_\_\_

- Notes: 1. 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.  
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th Annual General Meeting of the Company

**REGISTERED POST / COURIER**

*If undelivered Please Return to :*

**M/s Cameo Corporate Services Ltd**

"Subramanian Building", 1 Club House Road,  
Chennai – 600 002

E mail : [narasimhan@cameoindia.com](mailto:narasimhan@cameoindia.com)

Phone: 044 - 28460390