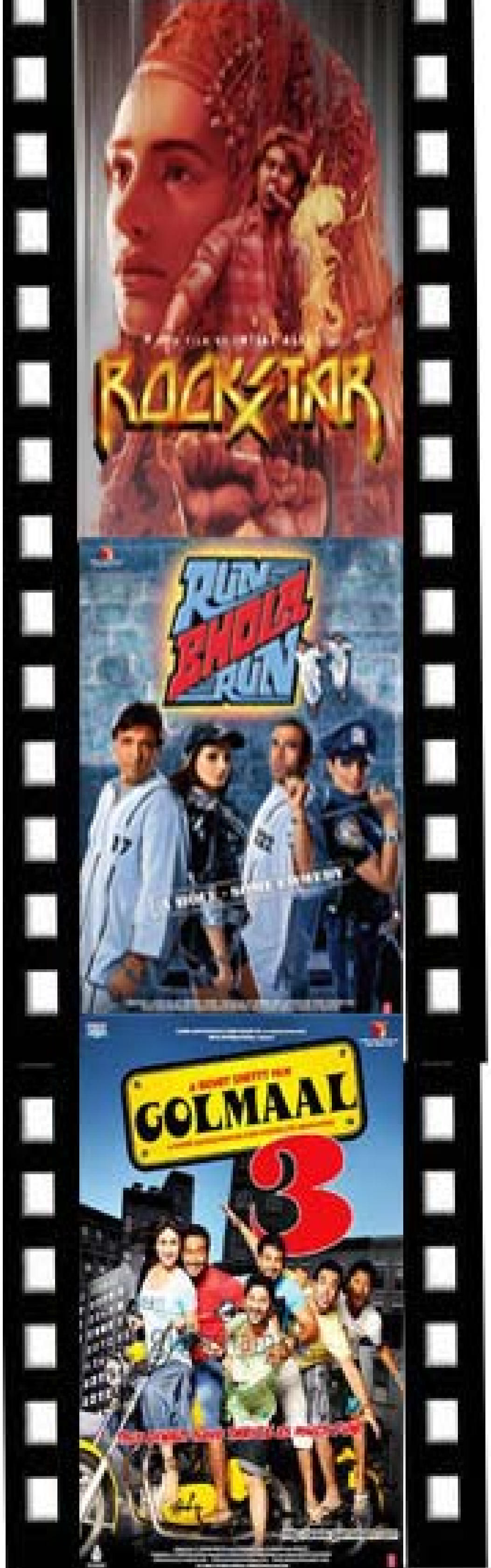

SHREE ASHTAVINAYAK
CINE VISION LTD.

PRODUCTION
DISTRIBUTION • EXHIBITION

ANNUAL REPORT 2010-11

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CORPORATE INFORMATION

Board of Directors

Mr. Dhilin H Mehta	Chairman & Managing Director
Mr. Rupen N. Amlani	Whole Time Director
Mr. Dhaval V. Jatania	Whole Time Director
Mr. Hiren J. Gandhi	Whole Time Director
Mr. Ashok V. Ladhani	Non Executive Independent Director
Mr. Chandrakant K. Sachde	Non Executive Independent Director
Mr. Nishant A. Mahidhar	Non Executive Independent Director
Mr. Hetal N. Thakore	Non Executive Independent Director

Committees of the Board

Audit Committee

Mr. Ashok V. Ladhani	Chairman
Mr. Chandrakant K. Sachde	Member
Mr. Nishant A. Mahidhar	Member
Mr. Hetal N. Thakore	Member

Remuneration Committee

Mr. Nishant A. Mahidhar	Chairman
Mr. Chandrakant K. Sachde	Member
Mr. Ashok V. Ladhani	Member
Mr. Hetal N. Thakore	Member

Shareholders/Investors' Grievance Committee

Mr. Chandrakant K. Sachde	Chairman
Mr. Ashok V. Ladhani	Member
Mr. Nishant A. Mahidhar	Member
Mr. Hetal N. Thakore	Member

Registered Office

A-204/205, VIP Plaza, 2nd Floor, Off Andheri Malad Link Road, Andheri (West), Mumbai - 400 053.

Email : info@ashtavinayakindia.com
Website : www.ashtavinayakindia.com

Company Secretary

Ms. Archana Andhare

Secretarial Auditors

Mr. Jagdish Patel & Company
Company Secretaries

Auditors

Statutory Auditors: Shah, Shah & Shah
Chartered Accountants

Internal Auditors: I. O. Dharia & Company.
Chartered Accountants

Registrar & Share Transfer Agents

Link Intime India Pvt.Ltd.
C-13, Pannalal Silk Mills Compound
L.B.S.Marg, Bhandup(W)
Mumbai - 400 078
Tel: 2596 3838 Fax : 2594 6969

Bankers to the Company

State Bank of India
IDBI Bank

Yes Bank

NOTICE

NOTICE is hereby given that the **10th Annual General Meeting** of the members of **Shree Ashtavinayak Cine Vision Limited**, will be held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29th September, 2011 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended as on that date together with the Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. Dhilin H. Mehta, retiring by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dhaval V. Jatania, retiring by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chandrakant K. Sachde , retiring by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.

2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from 26.09.2011 to 29.09.2011 (both days inclusive).

4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.

7. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.

8. Your Company has implemented the Green Initiative as per the Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21,2011 and April 29,2011, respectively, which allows the Company to serve all Notices/ Documents and Annual Reports to its shareholders through an electronic mode. Henceforth, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode - with the respective Depository Participant which will be periodically downloaded from NSDL / CDSL, and (b) in respect of physical holding - through a written request letter to the Registrar and Transfer Agent of the Company M/s. Link Intime India Private Limited; will be deemed to be the registered email address for serving all Notices / Documents including those covered under Section 219 read with Section 53 of the Companies Act. Members are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participant and in case of physical holding with the Registrar and Transfer Agent of the Company. The Annual Report of your Company for the Financial Year 2010-11 will is also displayed on the website of the Company i.e. www.ashtavinayakindia.com.

9. As required under Clause 49 (IV) of the Listing Agreement the details of the re-appointment of a Director.

Name	Age	Educational Qualification	Experience in Years	No. of shares held.
Mr. Dhilin H. Mehta	29 years	M.B.A with a Finance specialization	9 Years	13699560
Mr. Dhaval Jatania	36 Yrs.	Master of Management Studies University of Mumbai	12 Years.	1150000
Mr. Chandrakant K. Sachde	68 years	B.A, L.L.B, CAIIB	38 years	NIL

By order of the Board

Sd/-

Ms. Archana Andhare
(Company Secretary)

Place : Mumbai
Dated : 27.5.2011

DIRECTORS' REPORT

Dear Member,

Your Directors have pleasure in presenting the 10th Annual Report and the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The highlights of the financial results are as under:

(Amount in Rs.)

Particulars	Year ended (6 Months ended 31.3.2011) 2010-2011	Year ended (18 Months ended 30.9.2010) 2009-2010
Income from Operations	820557399	3372334278
Profit Before Depreciation & Tax	(129047800)	556801154
Less: Depreciation	5017836	14545455
Profit Before Tax	(134065636)	542255699
Less: Provision for Tax & adjustment earlier	(46928788)	179214480
Profit After Tax	(87136848)	363041219
Surplus B/ F from Previous Year	773196248	429451767
Total profit available for distribution	686059400	792492986
Balance in Profit & Loss Account	686059400	773196248

OPERATIONS

The Current Accounting Year comprising of 6 months period commencing from 1st October 2010 to 31.03.2011.

During the year the company has released home production films titled “Golmaal 3” on 5th November 2010, directed by Rohit Shetty starring Ajay Devgan, Tusshar Kapoor, Kareena Kapoor, Arshad Warsi etc.,

The operations for the year are adversely affected due to increase in Direct Operational Expenses, as a result of which the Company has suffered a loss during the year.

The Company has successfully completed production of “**RUN BHOLA RUN**”, the genre of which is comedy, directed by Neeraj Vora starring Govinda, Ameesha Patel, Celina Jaitley, Tusshar Kapoor etc. and “**ROCKSTAR**”, the genre of which is musical romantic drama film, directed by Imtiaz Ali starring Ranbir Kapoor, Nargis Fakhri & others. These films are ready for release during this year and are expected to lure the entire audiences spread across the globe.

Your Company continues to pursue the completion of ongoing projects to achieve sustainable and a balanced profitable growth.

DIVIDEND

In view of losses the Board of Directors has not recommended dividend for the year ended 31st March, 2011.

DEPOSITS

Your Company has not accepted any Deposits within the meaning of Section 58A of Companies Act, 1956 and Rules made there under from the public or it employees during the year under review.

FINANCE

The Secured Loan has reduced during the year from Rs.146.96 Crores to Rs. 115.90 Crores mainly on account of reduction in film project loans availed for the film already released, as the loan for film projects are self liquidating in nature.

The Unsecured Loan has increased during the year from Rs.167.68 Crores to Rs. 193.57 Crores as the Promoters of the Company have infused money into the Company in the form of Unsecured Loan.

The loan amount due but not paid for an amount of Rs. 7.77 Crores as on the date of Balance Sheet of March 31, 2011 will be paid in full during the month of June 2011.

The Other Income for the year for an amount of Rs. 17.18 Crores mainly comprising of Interest charged to the subsidiary Company.

INSURANCE

All the properties of your Company like Fixed Assets, including Office Premises, Furniture & Fixtures are adequately insured. In addition to the Company properties, the Company has insured its Key Managerial Personnel.

All film productions on hand are also adequately insured.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956, Mr. Dhilin H. Mehta, Mr. Dhaval V. Jatania and Mr. Chandrakant K. Sachde, liable to retire by rotation at the conclusion of the forthcoming Annual General Meeting and, being eligible, offered themselves for re-appointment.

AUDITORS

The present Auditors of the Company M/s. Shah Shah & Shah, Chartered Accountants, Mumbai, will retire at the conclusion of ensuing Annual General Meeting and being eligible; offer, themselves for re-appointment to hold the office till the conclusion of next Annual General Meeting.

They have submitted certificate for their eligibility for reappointment under section 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI."

EMPLOYEES

None of the employees of the Company was paid remuneration of Rs.60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

CONSOLIDATION OF ACCOUNTS:

The Company has four non material Wholly Owned Subsidiaries in India and one Wholly Owned Subsidiary abroad.

The audited Consolidated Accounts and Cash Flow Statements, comprising of the Company and its all subsidiary Companies appear in this Annual Report together with the Auditors' Report on the consolidated Accounts. The Consolidated Accounts have been prepared in accordance with the Accounting Standard prescribed by the Institute of Chartered Accountant of India.

Pursuant to General Circular No 2/2011 file no 51/12/2007-CL-III dated February 8, 2011, issued by the Ministry of Company Affairs giving directions under section 212(8) of the Companies Act, 1956 granting general exemption from attaching the financials along with the Directors Report and Auditors Report of the Subsidiary Companies to the financials of the holding Company on fulfillment of certain conditions. In compliance with the said Circular of the Ministry of Company Affairs, the Company has attached a summary of the Financial Statements of each of the Subsidiary Companies.

As per Clause 32 of the Listing Agreement the Consolidated Financial Statements of the Company with its Subsidiaries form part of the Annual Report. The Copies of the Audited Annual Accounts of the Company's Subsidiaries and other related documents can also be sought by any members of the Company or its Subsidiaries on making a written request to the Company Secretary in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection by any member at the Company's and/or the concerned Subsidiaries' registered office

DIRECTORS' RESPONSIBILITY STATEMENT

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

I. In the preparation of annual accounts, the applicable accounting standards have been followed.

II. That they had 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 and of the profit or loss of the company for that year (6 months).

III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUT GO

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

FOREIGN EXCHANGE EARNING & OUTGO *Rs.*

	Current Year (6 months)	**Previous Year (18 Months)**
	1.10.10 to 31.03.11	**01.04.09 to 30.09.10**
Earnings	0.00	29,64,505.00
Outgoings	44,65,312.00	8,57,13,380.00

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

As required by the Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a detailed Report on Corporate Governance, along with the certificate of the Statutory Auditor, of the Company, is attached elsewhere in this Annual Report.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

The Management Discussion and Analysis Report also appears elsewhere in this Annual Report, and both the aforesaid Reports are incorporated for reference herein.

The Board of Directors of the Company has adopted a Code of Conduct and posted the same on the Web site. The Directors and Senior Management Personnel have affirmed their compliance with the said code.

AUDIT COMMITTEE

The Audit Committee has been constituted by the Company pursuant to Section 292(A) of the Companies Act, 1956 and under Clause 49 of the Listing Agreement.

APPRECIATION

The Board of Directors wishes to place on record their sincere appreciation of the continued support and confidence in the Company from its Shareholders, FCCB Holders Suppliers, Bankers to the Company and financial institutions, and all other business associates, for their support and confidence reposed in the Company.

The Management takes this opportunity to express its special gratitude and appreciation to all Actors and Actresses, Directors and other Associates involved in film production and releases of the same.

For and on behalf of the Board
Sd/-

Place : Mumbai

Dhilin H Mehta
(Chairman)

Dated :- 27.05.2011

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN MEDIA & ENTERTAINMENT

Indian Media & Entertainment To Grow At 14%. *Industry achieves 11% growth and touches Rs.65,200 crores in 2010; to touch Rs.1,27,500 crores by 2015.*

In 2010, the Indian Media & Entertainment (M&E) industry registered a growth of 11 percent over 2009 and touched INR 652 billion, says a FICCI-KPMG report. Backed by positive industry sentiment and growing media consumption, the industry is estimated to achieve a growth rate of 13 percent in 2011. Overall the industry is expected to register a CAGR of 14 percent to touch INR 1275 billion by 2015.

THE BOLLYWOOD INDUSTRY :

The Bollywood Industry has come of age in this new millennium. It is, now, no more stereotypical to songs and action sequences typically followed by happy endings. The broad Indian cinema has become more sophisticated than ever before, now even targeting audiences outside India as well.

In fact, successful directors are already into making films that largely appeal to foreign audiences and click in overseas markets. Moreover, overseas markets have served as fall-back markets for them, even if the movie doesn't work domestically.

Indian filmmakers are targeting the country's burgeoning cable and satellite television sector as well as the Internet for new sources of income to recover from a two-year slump, experts say.

The sale of cable, satellite and music rights, as well as DVDs, Internet and mobile phone downloads, is emerging as a potential money-spinner for studios keen to offset losses at the box office.

Until recently, Indian filmmakers could be virtually assured of high box office returns, with cinema one of the few forms of entertainment and movie-goers traditionally loyal to big name stars.

But a combination of poor quality content, rising overheads, the global economic downturn and an increase in other ways for people to spend their spare time and hard-earned cash has hit studios in the pocket.

The country is also poised to become the world's largest direct-to-home (DTH) satellite pay TV market by 2015, with a projected 70 million subscribers.

Small budget movies faring well

With the introduction of multiplexes, the number of small budget movies has witnessed a huge jump. These movies are made with smaller budgets and appeal to a specific set of audience and therefore are considered to be much less riskier than the costlier productions with the possibility of a higher return on investments. This has prompted even the large and established production houses to experiment with scripts and get into making small budget films- termed as "multiplex movies"- to capture the increasing niche audience for such films. Some of these films have turned out to be blockbuster runaway hits.

Indian film industry going global

With a large number of Indians across the globe, the demand for Indian filmed entertainment has witnessed a gush in the last decade. This has resulted in many production houses opening their offices especially to market their movies and content in countries like USA, UK, etc.

Company overview

About the Company

Integrated presence across the value chain

- Production of Films
- Distribution of Films

To cater the global audiences the Company has adopted following strategy ;

- Focus: High entertainment value and mainstream Hindi filmed entertainment industry.
- Repertoire: Family entertainers, thrillers, comedy and romantic films.
- Integrated: Across the complete value chain in the commercial motion-pictures segment – from production to distribution and exhibition
- Leadership: A relatively young Company that has grown aggressively to achieve a leadership position in distribution in the Mumbai territory – the largest film distribution territory in India
- Understanding: A deep understanding of audience preferences stemming from experience in distribution translates to a high success-ratio of the films produced
- Aggressively growing: Expected to outperform industry average.
- Progressive management: Company steered by a team of seasoned professionals.

Strategy for Successful Releases of Hindi Films;

- ✓ Hiring best directors, script writers and actors
- ✓ Excellent chemistry between director and actors
- ✓ Multiple artists in genre of comedy/Love Story.
- ✓ Excellent production values & shooting locations.
- ✓ Released in maximum number of screens all over India.
- ✓ De-risked model & pre-selling of right to over the C.O.P.
- ✓ Proper selection of idea, concept & script
- ✓ Making the movie in proper time & budge by completion in less than industry average time of 12 – 18 months
- ✓ Proper financial management
- ✓ Proper weightage on promotion & marketing i.e. spending more on marketing for better better opening at the time of release after having proper controlling & monitoring practices
- ✓ Hard core entertainer which has universal appeal

Operational overview

The Company commenced its business operations as a distributor of films. It continues to be one of the most prominent and reputed distributors in the Mumbai territory. The Company also has a respectable presence in Punjab, Gujarat & Saurashtra, Karnataka, Delhi and Uttar Pradesh territories. With such a wide reach and presence in crucial markets, the Company has maximised its coverage by selling its films to maximum numbers of theatres. As a strategy to maximise the returns per project by adopting a de-risked model in the form of selling world rights, thereby eliminating multiple players in the distribution chain. As a result, it enjoys considerable bargaining power, leading to a blend of enhanced margins and risk-free returns.

The Company's ability to choose the right project having strong content has ensured its success. In addition, the Company also invests considerable amount of involvement and resources in marketing - pre-release and post release publicity.

The year 2010-11 - witnessed the release of the second sequel from the Company – Golmaal 3 which was released on 5th November 2010, an addition to the hugely successful 'Golmaal' franchise. Golmaal 3 starring Ajay Devgan, Kareena Kapoor, Arshad Warsi, Shreyas Talpade, Tusshar Kapoor, etc. and performed better that the prequel in terms of viewer's response and box office collections. The film have been nominated and awarded in various categories.

The film titled "Dabangg" directed by Abhinav Kashyap starring Salman Khan, Arbaaz Khan, Sonakshi Sinha, Sonu Sood and others released on 10th September 2010 (previous year) has been considered as the most entertaining film for the year and also have won various awards in various categories from reputed film awarders.

Further, film "Dabangg" has added a feather in the cap by getting the National Award for the best popular film providing wholesome entertainment at the 58th National Awards announced in New Delhi on May 19, 2011.

Outlook

The Company has more lucrative projects in the pipeline in the forthcoming period such as;

a) A Film titled "ROCKSTAR" directed by Imtiaz Ali, a musical romantic drama, for which music composed by A.R.Rehman, starring Ranbir Kapoor, Nargis Fakhri n others is slated for release in the year 2011-12.

b) A Film titled "RUN BHOLA RUN" directed by Neeraj Vora, a comedy film, for which music composed by Pritam Chakraborty, starring Govindaa, Amisha Patel, Tusshar Kapoor, Celina Jaitley n others is slated for release in the year 2011-12.

c) A project directed by Seema Sudhir is also under progress.

d) Shooting of film tentatively titled "BOL BACHAN" directed by Rohit Shetty, a comedy film, starring abhishek Bachchan, Ajay Devgan, Asin, Prachi Desai n others to commence shortly.

The Company is also working with well known directors like Rajkumar Santoshi, Milan Luthria, Kunal Kohli, Rohit Shetty and Soham Shah. And these projects are under various stages of production.

The Company's projects ranged from big-budgets to medium budget movies, reflecting its ability to generate content-rich cinema coupled with financial acumen, at the same time retaining its focus on entertaining the masses.

Financial overview

The Total Revenue of the Company for the year stood at Rs. Rs. 99.39 Cr.. Earnings Before Interest, Depreciation and Taxation allowance (EBIDTA) for the year is (Rs. 3.93 Crs). The Company registered a Loss After Tax of Rs. 8.71 Crs.

SWOT analysis

Strengths
- One of the leading integrated film companies in India Strong track record of producing successful films
- Projects executed with a host of lead stars and actors
- One of the leading production houses in commercial movie space
- Focused on delivering content-rich projects
- Ability to manage and complete projects sans size, genre, and star cast, etc.
- Risk-averse business model
- A pipeline of projects consisting some much awaited Ones

Weaknesses
- Operates in a capital intensive industry
- Smaller presence in exhibition space

Opportunities
- Filmed entertainment is the most preferred mode of entertainment in India
- It is a part of the Indian culture and therefore attract regular consumer spending
- With the multiplexes, opportunities have surfaced in niche segments like small budgets, animation, children movies, etc.
- Distribution strength adds margins from the existing Projects

Threats
- Higher cost of funds may result in lower margins
- Non-availability of the right talent at the right time
- Dismal performance at the box office
- Competition from established producers and production houses

Internal controls

The Company has well defined organisational structure and pre-determined authority levels and system of internal control for maximum utilization of its resources and safeguarding the same from misuse. The Company has a budgetary control system for film production and an internal audit system supplements the same.

The Company's Audit Committee and Board of Directors consist of qualified and experienced professionals; meet regularly to review the operations and adequacies of internal controls.

Human Resources

The Company presently employs 16 employees. The growth and sustained leadership of the Company is largely a function of the competence and quality of its human resource. The Company has always aimed to create a workplace where every person can achieve his optimum potential. The Company has a performance-rewarding culture throughout, enabling it to create leaders out of its own employees. The Company has also undertaken various training and development initiatives to hone the skills and expertise of its people. The Company's employee base has an average age of 35 years and 30% of them are professionals, highlighting a great blend of youth and experienced.

Risk Management

The Company is exposed to normal industry risk factors of competition, project delay, adverse box office response, human resource, cost escalation and uncertainties in the domestic markets. Your Company manages these risks, by maintaining a conservative financial profile and by following prudent business and risk management practices.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on Corporate Governance

Good Corporate Governance is an integral part of the Company's Management and Business Philosophy. It is the combination of voluntary practices and compliance with law and regulations leading to effective control and management of the organization. The Company Subscribes fully to the principles of good Corporate Governance which leads to long term shareholder value and enhances interest of other stakeholders. It embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company. Transparency and accountability are the two basic doctrine of Corporate Governance. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are emphasized at all levels within the Company. In line with this philosophy Shree Ashtavinayak Cine Vision Limited is committed to enhance shareholders value through level of efficiency, integrity, innovation and excellence in everything it does. The Company will enhance shareholders value by harmonizing the needs and interest of all its stakeholders, viz., customers, employees, lenders, governments and community at large.

The Company strongly believes that good Corporate Governance ultimately leads to growth and competitive strength, and the corporate governance norms are the foundations of procedure at the Board and operational levels.

Essential ingredients of excellence are attitude, management structure and governance. Management structure is the key to the goal of success. Corporate governance is a necessary condition and not a sufficient condition for succeeding in the global market place, hence, to achieve success, the Management has adopted highest standards of corporate behavior towards all the stakeholders like employees, customers and the society at large.

The Board of Directors of your Company are responsible for and committed to sound principles of Corporate Governance in the Company. We keep our governance practices under continuous review so that we can cater all shareholders and stakeholders in a better way.

2. Board of Directors

- **Composition of the Board:**

The Chairman of the Company is Executive & Promoter Director. The Board is well balanced of total 8 (Eight) Directors out of which 4 (Four) are Executive Directors and 4 (Four) are Independent & Non-Executive Directors.

Details as on date, of the composition of the Board, category of the Directors and their attendance at the board meetings and the last Annual General Meeting, number of their Directorship in other companies and Membership and Chairmanship of specified committees is given below.

During the year (6 months) 2010-2011, 10 (Ten) Board Meetings were held.

Name of Director	Category	No. of Board Mtgs. Attended	Attendance at the last AGM	No. of Directorship	No. of outside Committee positions held		No. of Equity Shares held As on 31.03.2011
		Attended			Chairman	Member	
Mr. Dhilin H. Mehta	E.D	10	P	4	Nil	Nil	13699560
Mr. Rupen N. Amlani	E.D	09	P	4	Nil	Nil	Nil
Mr.Hiren J. Gandhi	E.D	06	A	4	Nil	Nil	NIL
Mr. Dhaval V. Jatania	E.D	10	P	1	Nil	Nil	1150000
Mr.Ashok V. Ladhani	I.N.E.D	09	P	Nil	Nil	Nil	Nil
Mr.Chandrakant K. Sachde	I.N.E.D	09	P	Nil	Nil	Nil	Nil
Mr.Nishant A. Mahidhar	I.N.E.D	10	P	Nil	Nil	Nil	Nil
Mr. Hetal N. Thakore	I.N.E.D	08	A	Nil	Nil	Nil	Nil

I.N.E.D – Independent Non-Executive Director,
E.D. – Executive Director.

$ As required by the existing Clause 49 of the Listing Agreements entered into with the BSE & NSE, only Membership/Chairmanship of the Audit Committee and Investors Grievance Committee of public companies have been considered.

3. Code of Conduct

The Board of directors has laid down the Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company. Copy of Code of conduct is available on Company's web site. A declaration signed by Managing Director affirming the compliance of code of conduct by Board Members and senior management executives is also annexed separately in this Annual Report.

4. Audit Committee

The Board of Directors constituted an Audit Committee. The Audit Committee of the Company comprises of Non-Executive Independent Directors only. All the members of the Committee have the relevant experience in financial matters. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting process. The composition of the Audit Committee and the attendance of each member of the committee is given below:

Name	Designation	Category #	Committee Meetings	
			Held	Attended
Mr. Ashok V. Ladhani	Chairman	I.N.E.D	4	3
Mr. Chandrakant K. Sachde	Member	I.N.E.D	4	3
Mr. Nishant A. Mahidhar	Member	I.N.E.D	4	4
Mr. Hetal N. Thakore	Member	I.N.E.D	4	3

I.N.E.D – Independent Non-Executive Director,

The Company Secretary, CS Archana Andhare act as the secretary to the Committee. The meetings of the Audit Committee are also attended by the CEO, CFO, Statutory Auditors and Internal Auditors as Special Invitees.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the BSE & NSE and Section 292A of the Companies Act, 1956. The salient features of powers and role of the Audit Committee are:

The Audit Committee is vested with the necessary powers as follows:

- To investigate any activity of the Company;
- To seek and obtain any information and explanation;
- To obtain outside legal or professional advice and if necessary, secure their attendance at the meetings.
- To achieve its objectives.

The terms of reference of Audit Committee are briefly described as follows:

- Meeting once in every quarter to review performance of the Company along with the financial results of the Company.
- Recommending the appointment and removal of Statutory Auditors, fixation of Audit Fees and approval for payment of any other services rendered by them.
- Reviewing with management the annual financial statements of subsidiaries before submission to the Board.
- Reviews with the management, statutory auditors and internal audit system, the adequacy and the compliances of internal control systems.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, shareholders and creditors.
- Reviewing the Company's financial and risk management policies.

Remuneration Committee

Board of Directors has constituted Remuneration Committee. The committee is empowered to approve remuneration of Directors of the Company and their relatives and to ensure compliance of the Companies Act, 1956, Listing Agreements, etc. In this regard, One Meeting of the members of Remuneration Committee was held on **13th November, 2010** and all Members of the committee attended the meeting. The present composition of Remuneration Committee is given below.

Name	**Designation**	**Category #**
Mr. Nishant A. Mahidhar	Chairman	I.N.E.D
Mr. Chandrakant K. Sachde	Member	I.N.E.D
Mr. Ashok V. Ladhani	Member	I.N.E.D
Mr. Hetal N. Thakore	Member	I.N.E.D

I.N.E.D – Independent Non-Executive Director,

The Company Secretary, CS Archana Andhare act as the secretary to the Committee.

5.A Remuneration Policy:

The remuneration structure comprises of sitting fees to non executive Directors and Salary & Perquisites is paid to Executive Directors within the limit approved by the Members.

The Details of remuneration paid to executive Directors during the Financial Year 2010-2011 (6 months) are as under.

Executive Directors	Remuneration (Rs.)
Mr. Dhilin H. Mehta	1184979.00
Mr. Rupen N. Amlani	624690.00
Mr. Hiren J. Gandhi	624690.00
Mr. Dhaval V. Jatania	624690.00

Note:
1. No Director is related to any other Director on the Board,
2. The Company has a policy of not advancing any loans to its Directors.
3. The Company does not have any scheme for grant of stock options to its Directors or Employees.

5.B Non-Executive Directors.

The Non-executive Directors are paid Sitting Fees. The same is decided broadly on the basis of meetings attended by the Non-Executive Directors and their respective contribution to the Company.

The details of the remuneration by way of sitting fees paid to the Non-executive` Directors for the year (6 months) 2010-2011 are as under:

Directors	Sitting Fees (Rs.)
Mr.Chandrakant K. Sachde	60000.00
Mr.Ashok V. Ladhani	120000.00
Mr.Nishant A. Mahidhar	60000.00
Mr. Hetal N. Thakore	60000.00

6. Shareholders/Investors' Grievance Committee:

The Shareholders/Investors' Grievance Committee is formed. During the year Three (3) shareholders/ Investor's Grievance Committee was held on 13.11.2010, 10.01.2011 & 14.02.2011 respectively. There is no transfer of shares in physical form. The present composition of the Shareholders/Investors' Grievance Committee, number of meetings held. The composition is as follows:

Name	Designation	Category#
Mr.Chandrakant K. Sachde	Chairman	I.N.E.D
Mr.Ashok V. Ladhani	Member	I.N.E.D
Mr.Nishant A. Mahidhar	Member	I.N.E.D
Mr. Hetal N. Thakore	Member	I.N.E.D

I.N.E.D – Independent Non-Executive Director
The Company Secretary, CS Archana Andhare act as the secretary to the Committee.

Role of Shareholders/Investors' Grievance Committee:

a) Review the existing "Investor Redressal System" and suggest measures for improvement.
b) The Investors' Grievance Committee meets to review and to take note of the Compliance Report submitted to the Stock Exchanges and Grievances of the shareholders and several meetings were held.
c) To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

CS Archana Andhare, Company Secretary, acts as Secretary to the Committee. She is Compliance Officer of the Company and also responsible for redressal of investors complaints.

The Company's shares are compulsorily traded and delivered in the dematerialised form in both Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, who are authorized to transfer shares under one transfer deed. Details of share transfers/transmission approved by the officers are placed before the Committee from time to time.

Investor Grievance
During the year (6 months) 3 complaints/letters were received by the Company, no complaint is pending to be resolved at the end of the financial year.

Average 15 days is taken for disposal of shareholders complaints/letters

Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary Company. The minutes of the non- listed subsidiary Companies had been placed before the Board for their attention and there were no major transactions.

The accounts of all the subsidiaries are placed before the Board of Directors of the Companies on a quarterly basis and the attention of the Directors is drawn to all significant transactions and arrangement entered in to by the Subsidiaries Companies.

7.A Related party transaction:

During the year (6 months) under review, besides the transactions reported in note 5.13 of schedule 20 to the Financial Statements in the Annual Report, there were no other material related party transactions of the Company with its promoters, Directors or the Management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the company at large. The material Related Party Transactions are placed before the Audit committee of the Board quarterly and placed for Board's information on a quarterly basis. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis.

7.B Disclosure of Accounting treatment:

The Company follows accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

During the year, the Company has not changed its accounting policy in respect of amortization of intangible assets to amortization over the economic useful life. Due to the change in the accounting policy, there is no impact on the net profit for the year ended 31st March, 2011(6 months) and the carrying value of intangible asset at year end.

7.C Risk Management:

The Risk management of the Company is overseen by the Board and the senior management at various levels;

Business /Strategic Risk :

The Board oversees the Risk which are inherent in the business pursued by the Company. The intervention is through review/approval of business plans, projects and approval for business/strategy policy.

Operational Risks :

These are being mitigated by internal policies and Standard Operating Practices(SOP)Manuals.

Financial Risks:

These risks are addressed on an ongoing basis by Treasury, Insurance, Forex Policies. Due oversight on financial risk is also exercised by the Audit Committee in its meeting.

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the company as the whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk being a gross or a net risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts.

The Board engages in the Risk Management process and has set out a review process so as to report to the Board the progress on the initiatives culled out for top few risks of each of the business that the Company is into.

The Risk registers of each of the Business gets updated on a bi-annual basis and is placed for due discussions at Board meetings and appropriateness of the mitigation measures to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are optimized.

7.D Disclosure by Senior Management:

Senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

7.E CEO/CFO CERTIFICATION:

The Managing Director (CEO) and the Company Secretary (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the year (6 months) ended 31st March, 2011, which is annexed hereto. Statements and the cash flow statement for the year (6 months) is enclosed separately at the end of the report.

7.F Details of Non-Compliance :

There have been no instances of non compliances of any matter with the rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority relating capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

7.G Secretarial Audit:

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the Shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

7.H The Management discussion and analysis report:

The Management Discussion and Analysis Report appearing elsewhere is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement forms part of the Annual Report.

8. Annual General Body Meetings:

For the Financial Year	AGM	Venue/ location	Date and time
2007-08	AGM	M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovinddas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai – 400 001	26th August, 2008 at 11.00 a.m.
2008-09	AGM	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102	29th September, 2009 at 9.30 a.m.
2009-10	AGM	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102	29th December, 2010 at 9.30 a.m. *same adjourned on 29th March, 2011 at 9.30 a.m.*

No Special Resolutions requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

9. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement of the Stock Exchanges in India forms part of this report.

10. Implementation of Code of Conduct for Insider Trading:

Shree Ashtavinayak Cine Vision Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework. Shree Ashtavinayak Cine Vision Limited follows strict guidelines in respect of insiders' stock trading and related disclosures. The Company secretary is designated as the Compliance Officer to over see its implementation. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

11 Means of Communication with Shareholders:

Shree Ashtavinayak Cine Vision Limited has adopted

Quarterly Results	The quarterly and annual results of the Company are published in English and vernacular newspaper in accordance with the requirements of the Listing Agreement of the stock Exchanges.
News papers in which results are normally published	Free Press Journal- English and Navshakti-Marathi
Web site	www.ashtavinayakindia.com
E –mail:	info@ashtavinayakindia.com
Registered Office :-	A-204, 2nd Floor, VIP Plaza, off. Andheri Link Road, Andheri (W), Mumbai –400053
Tel:-	+ 91 22 40497800
Fax :-	+ 91 22 67029634
Whether Management Discussions and Analysis report is a part of Annual report or not	Yes

12. General Shareholders' Information

12.1	10th Annual General Meeting, Date & Time	29.09. 2011 at 9.30 a.m.
12.2	Venue	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102
12.3	**Financial Calendars (Tentative)**	
12.6	Unaudited Financial reporting for the quarter ended 30th June, 2011	2nd week of August, 2011
12.7	Unaudited Financial reporting for the quarter ended 30th September, 2011	2nd week of November, 2011
12.8	Unaudited Financial reporting for the quarter ended 31st December, 2011	2nd week of February, 2012
12.9	Unaudited Financial reporting for the quarter and year ended 31st March, 2012	2nd week of May, 2012
12.10	Book Closure Date	26.09.2011 to 29.09.2011 (both days inclusive)
12.11	Registered Office	A-204, 2nd Floor, VIP Plaza, Off. Andheri Link Road, Andheri (W), Mumbai –400053
12.12	Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078 Tel No.: 022 - 25963838 Fax No.: 022 – 25946969 rnt.helpdesk@linkintime.co.in
12.13	*Listing on Stock Exchanges at*	*1. Bombay Stock Exchange of India Limited Scrip code: - 532793* *2.National Stock Exchange of India Limited Scrip code: SHREEASHTA* *Listing Fees have been paid for F.Y 2011-2012*
12.14	*Company registration No.*	*L92110MH2001PLC133759*
	NSDL & CDSL – ISIN	*INE5381101024*

12.15 Month wise Stock Market Data (BSE & NSE) Relating To Equity Shares Of The Company

Month	*BSE*				*NSE*		
	High	*Low*	*Average*		*High*	*Low*	*Average*
October, 2010	42.45	32.8	37.63		41.95	32.8	37.38
November, 2010	51.2	26.45	38.83		51.15	26.5	38.83
December, 2010	23.85	8.05	15.95		23.85	8	15.93
January, 2011	8.47	4.86	6.67		8.65	4.9	6.78
February, 2011	8.56	5.48	7.02		8.6	5.6	7.1
March, 2011	7.18	5.22	6.20		7.05	5.2	6.13
Average price per shares upto March, 2011 (Six Months)			**18.72**				**18.69**

Bombay Stock Exchange (BSE)
National Stock Exchange (NSE)
(Source – BSE & NSE)

12.14 DISTRIBUTION OF SHAREHOLDING AS ON 31st March, 2011

No. of Shares held		**No. of Shareholders**	**% of Total Shareholders**	**No. of Shares**	**% of Total Shares**
1	500	50029	48.22	11842091	1.44
501	1000	20367	19.63	18286219	2.22
1001	2000	12875	12.41	21271117	2.58
2001	3000	5194	5.01	13818430	1.68
3001	4000	2551	2.46	9412816	1.14
4001	5000	3382	3.26	16475503	1.99
5001	10000	4589	4.42	35777415	4.34
10001	and above	4766	4.60	697798564	84.61
TOTAL		**103753**	100.00	**824682155**	**100.00**
Physical mode			**9**	6750	0.00
Demat Mode			**103744**	824675405	100.00
		TOTAL	103753	**824682155**	**100**

12.15 CATEGORIES OF SHAREHOLDERS AS ON 31st MARCH, 2011

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1	Other Bodies Corporate	1111	269634650	32.70
2	Clearing Member	492	30313489	3.68
3	Foreign Institutional Investors	21	26664871	3.23
4	Financial Institutional Banks	1	379894	0.05
5	Central Government/ State Government(s)	1	400	0.00
6	Trust	2	16000	0.00
7	Non Resident Indians	411	9070425	1.09
8	Shares held by Custodian against which DRs have been issued	1	46666500	5.66
9	Public	101705	398455366	48.32
10	Promoters	8	43480560	5.27
	Total	**103753**	**824682155**	**100.00**

12.16		
Details of Equity Shares Under lock-in period	:	NIL
Dematerialization of shares	:	As on March, 2011 of the total equity shares **824675405** is in Demat mode and **6750** is in physical mode.
Investors' correspondence to be addressed to: Telephone : Fax :	:	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078 022 – 25963838 022 – 25946969 info@ashtavinayakindia.com rnt.helpdesk@linkintime.co.in

13. Status of compliance with Mandatory/ Non-Mandatory requirement

13.1 Mandatory Requirement

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.

13.2 Non-Mandatory requirement

The Company is also in compliance with the non-mandatory requirement as specified in Annexure 1D to clause 49 of the Listing Agreement regarding constitution of remuneration committee.

Company would endeavor to comply with other non-mandatory requirements as specified in Annexure 1D to clause 49 of the Listing Agreement.

BY AND ON BEHALF OF THE BOARD

Sd/-
Mr. Dhilin H Mehta
Managing Director

Place: Mumbai
Date:- 27.05.2011

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.03.2011

BY AND ON BEHALF OF THE BOARD

Sd/-

Place: Mumbai — Mr. Dhilin H Mehta

Date:- 27.05.2011 — Managing Director

CEO/CFO CERTIFICATION

The CEO and the CFO have certified to the Board that:

(a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violate of the Company's code of conduct.

(c) They accept responsibility for establishing and maintaining internal controls and they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the auditors and the Audit committee:

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system

BY AND ON BEHALF OF THE BOARD	BY AND ON BEHALF OF THE BOARD
Sd/-	Sd/-
Mr. Dhilin H Mehta	C.S. Ms. Archana Andhare
Managing Director & CEO	Company Secretary & CFO

Place : Mumbai

Date:- 27.05.2011

AUDITORS' REPORT

To
The Members,
SHREE ASHTAVINAYAK CINE VISION LIMITED

We have audited the attached Balance Sheet of Shree Ashtavinayak Cine Vision Limited as at March 31, 2011 Profit and Loss account for the period ended on that date annexed thereto, and Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
Further to our comments in the Annexure referred to above, we report that:

(a) we have obtained all the information and explanation, 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 appears from our examination of those books;

(c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance sheet and profit and loss account read with notes there on dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.

(e) on the basis of written representations received from the Directors, as on the dated of balance sheet, and taken on record by the board of directors, we report that none of the directors is disqualified as on the said date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

(f) in our opinion, and to the best of information, and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956 in the manner so required, and give a true and fair view in conformity with accounting principles generally accepted in India.
(i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

(ii) in case of Profit and Loss Account, of the loss of the Company for the period ended on that date.

(ii) in case of Cash Flow Statement, of the cash flow of the Company for the period ended on that date.

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.:049361
Mumbai: May 27, 2011

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE IN CASE OF SHREE ASHTAVINAYAK CINE VISION LIMITED

(i) (a) The Company is maintaining proper records showing full particulars of, including quantitative details and situation, of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed substantial portion of its fixed assets during the period; accordingly the going concern status of the Company is not affected.

(ii) As explained by the Management, the production of films requires various types, qualities and quantities of materials, consumables and inputs in different denominations generally pertaining to the specific films under production. Due to multiplicity and complexity of items, many of which are used across various films under production at the same time, it is not practicable to maintain the stock register, as the process of making films is not amenable to it. All the purchases of films related consumable/ consumables are treated as consumed. In view of this, the Company does not maintain inventory register and also does not carry out physical verification of inventory. Hence information relating to clause (ii) (a) and (b) of the order has not been given.

(iii) (a) As explained to us, the Company has granted interest free unsecured loan(s), to THREE companies (100% Subsidary in India) covered in the register maintained under section 301 of the Act.

The amount involved at the balance sheet date was Rs. 0.25 Million, and maximum amount so involved Rs. 0.25 Million.

(b) The terms and conditions of unsecured loans granted by the Company are not prima-facie prejudicial to interest of the Company.

(c) As explained to us, the said loan(s) are demand loans; and hence the sub-clause dealing with receipt of the principal amount and interest on regular basis is not applicable.

(d) Since the loan(s) granted are in nature of demand loan(s), the sub-clause dealing with overdue amount more than rupees one lakh is not applicable.

(e) The Company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Act; some of which are interest free. The amount involved at end of the year in aggredgate was Rs. 764.56 Million,and the maximum amount involved in the transaction was Rs. 764.56 Million.

(f) Other terms and conditions of unsecured loans taken by the company, are prima facie not prejudicial to interest of the Company.

(g) The loans taken are repayable on demand. As informed, the Company has paid the loan amount as and when demanded by the lender, thus there has been no default on the part of the Company.

(iv) In our view, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets, and for sale of goods and services, though, the Company does not maintain any physical inventories or sales of goods owing to the nature of its business. In our view, there has been no continuing failure to correct major weakness in internal control systems of the Company.

(v) According to the information and explanation given to us and on the basis of representation received from the Management, the transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956 have been so entered and the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion, the Company has complied with the provisions of section 58A and section 58AA or any other provisions of the Companies Act, 1956 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 58A or 58AA or any other provisions of the Companies Act 1956.

(vii) On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by an Internal Auditor of the Company is adequate and commensurate with the size of the Company and nature of its business.

(viii) We have been informed by the management that, the Central Government has not prescribed the method of maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956 to the industry to which the Company pertains.

(ix) (a) We have been informed by the management that, the Company is generally regular in depositing all undisputed statutory dues with the appropriate authorities and there have been no material arrears of outstanding dues as at the last day of this financial period for more than six months from the date they became payable except income-tax and tax deducted at source as mentioned in Note No. 5.9 of Notes on accounts.

PARTICULARS	Amount in Rs. Millions
Tax deducted at source Rs.	25.94
Income-tax for Assessent Year 2010-11 Rs.	23.67

(b) In our opinion and according to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth Tax, and Service tax, Custom Duty, Excise Duty or Cess, as applicable to it which have not been deposited on account of any dispute.

(x) According to the information and explanation given to us, the accumulated losses at the end of the financial period are not in excess of fifty percent of net worth of the Company. The Company has incurred cash losses during the period, and not incurred cash losses in the immediately preceding financial period.

(xi) As informed to us by the management, the Company is to pay amount due but unpaid on account of principal and interest amount of Rs. 77.79 million to the financial institution for a period more than two months.

(xii) As informed to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; accordingly, there is no necessity as to maintaining documents and records in this respect.

(xiii) The provisions of any special statute in respect of chit fund, nidhi, mutual benefit funds or societies are not applicable to the Company.

(xiv) The Company has not dealt or traded in shares, securities, debentures and other investments; hence maintenance of records for the same does not arise.

(xv) The management has informed us that, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.

(xvi) As per the explanation given by the management, the term loans were applied for the purposes for which they were obtained.

(xvii) As explained to us by the management, there were no funds that were raised on a short-term basis, which have been applied for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

(xix) The Company has not issued any debentures; hence no security or charges have been created in respect of the same.

(xx) The Company has not made any public issues of shares; hence disclosure requirement as to end utilization of public issue money is not required

(xxi) As informed by the management, there has not been noticed or reported any fraud on or by the Company during the period.

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FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER

Firm Regd. No:	116457W
Membership No.:	049361
Mumbai:	May 27, 2011

Auditor's Certificate on Corporate Governance

To the Members of SHREE ASHTAVINAYAK CINE VISION LIMITED

We have examined the compliance of conditions of corporate governance by Shree Ashtavinayak Cine Vision Limited for the period ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions 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 the 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 explanation given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

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 SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.: 049361
Mumbai: May 27, 2011

Balance Sheet as at March 31, 2011

(All Amounts in ₹)

	Sch.	As at March 31, 2011		As at September 30, 2010	
SOURCE OF FUNDS					
(1) SHARE HOLDERS' FUNDS:					
(a) Share Capital	1	824,682,155		824,682,155	
(b) Reserves and Surplus	2	4,122,273,760	4,946,955,915	4,235,821,341	5,060,503,496
(2) LOAN FUNDS:					
(a) Secured Loans	3	1,159,008,510		1,469,648,903	
(b) Unsecured Loans	4	1,935,690,528	3,094,699,038	1,676,768,246	3,146,417,149
Deferred Tax Liability (Net)			12,277,550		12,382,402
			8,053,932,504		8,219,303,046
APPLICATION OF FUNDS					
(1) FIXED ASSETS	5				
(a) Gross Block		4,254,847,945		4,074,719,830	
(b) Less: Accumulated depreciation and amortisation		4,062,966,243		3,878,348,407	
(c) Net Block		191,881,702		196,371,423	
(d) Capital work-in-progress including capital advances		4,311,722,927	4,503,604,629	4,347,717,044	4,544,088,467
(2) INVESTMENTS	6		14,502,000		14,577,600
(3) CURRENT ASSET, LOANS AND ADVANCES					
(a) Inventories		-		-	
(b) Sundry Debtors	7	137,474,996		137,732,005	
(c) Cash and Bank Balances	8	58,172,097		340,169,046	
(d) Other Current Assets	9	141,471,069		36,817,250	
(e) Loans and Advances	10	4,452,592,350		4,513,953,883	
	(A)	4,789,710,511		5,028,672,183	
LESS: CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	11	1,203,179,643		1,203,074,946	
(b) Provisions	12	50,704,995		164,960,257	
	(B)	1,253,884,637		1,368,035,204	
NET CURRENT ASSETS	(A-B)		3,535,825,874		3,660,636,980
(4) MISCELLANEOUS EXPENDITURE			-		-
			8,053,932,504		8,219,303,046

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

NOTES TO ACCOUNTS 20

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.: 049361
Mumbai: May 27, 2011

Rupen Amlani   Dhaval Jatania   Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Profit And Loss Account for the period ended March 31, 2011

(All Amounts in ₹)

	Sch.	Period ended March 31, 2011		Period ended September 30, 2010	
(1) INCOME					
Sales	13	820,557,399		3,372,334,278	
Other Income	14	173,328,224	993,885,623	246,811,639	3,619,145,917
(2) EXPENDITURE					
Amortisation	5	407,500,000		2,102,749,129	
Direct Operational Expenses	15	589,728,416		437,784,272	
Directors' Remuneration	16	3,059,049		11,056,538	
Depreciation	5	5,017,836		14,545,455	
Employee cost	17	1,979,824		4,871,495	
Establishment and other expenses	18	30,959,074		165,149,877	
Financial Charges	19	89,707,060	1,127,951,259	340,733,452	3,076,890,217
Profit Before Tax and Exceptional Items			(134,065,636)		542,255,699
Less: Taxation and Non-Tax Bearing Items					
Current Tax		(47,380,000)		180,600,000	
Deferred Tax		(104,852)		4,069,100	
Wealth tax		85,000		525,000	
Fringe Benefit Tax		0		0	
Reversal of Provision for Taxation		471,064	(46,928,788)	(5,979,620)	179,214,480
Profit After Tax and Exceptional Items			(87,136,848)		363,041,219
Add: Balance Brought Forward			773,196,248		429,451,767
Profit Available for Appropriation			686,059,400		792,492,986
Less: Appropriations					
Transfer to General Reserve		-		0	
Proposed Dividend		-		16,493,643	
Tax on Proposed Dividend		-	0	2,803,095	19,296,738
Surplus Carried to Balance Sheet			686,059,400		773,196,248
Earning Per Share					
Basic Earning Per Share			(0.11)		0.46
Diluted Earning Per Share			(0.09)		0.35
Nominal value per share			1.00		1.00

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

NOTES TO ACCOUNTS 20

AS PER OUR REPORT OF EVEN DATE

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.: 49361
Mumbai: May 27, 2011

Rupen Amlani Dhaval Jatania Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

(All Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
1,000,000,000 Equity shares of ₹ 1 each, {Previous Period: 1,000,000,000 (number adjusted after spilt of face value) for Equity share of ₹ 1 each}	**1,000,000,000**	1,000,000,000
Issued, subscribed and paid up		
824,682,155 Equity shares of ₹ 1 each, {Previous Period: 824,682,155 (number adjusted after spilt of face value) Equity shares of ₹ 1 each} fully paid-up *	**824,682,155**	824,682,155
	824,682,155	824,682,155
* Includes 694,125,724 equity shares of ₹ 1 fully paid {Previous Period: 694,125,724 (number adjusted after spilt of face value) equity shares of ₹ 1 fully paid} issued as bonus shares by capitalisation of securities premium account		
* Includes 6,819,621 equity shares of ₹ 1 each fully paid {Previous Period: 6,819,621 (number adjusted after spilt of face value) equity shares of ₹ 1 each fully paid} issued on conversion of foreign currency convertible bonds ("FCCB").		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities premium account		
Opening balance	**3,449,042,966**	644,515,767
Add: Premium on issue of equity shares	-	3,316,265,218
Add: Premium on conversion of FCCB #	-	293,107,311
Add: Writeback of redemption premium for FCCB converted during the year #	-	36,898,390
Less: Capitalisation of bonus shares #	-	(659,745,724)
Less: Provision for premium on redemption of FCCB #	**(26,335,132)**	(81,920,746)
Less: Issue expenses	-	(100,077,250)
	3,422,707,834	3,449,042,966
General reserve		
Opening balance	**12,044,926**	12,044,926
Add: Appropriation from profit and loss account	-	-
	12,044,926	12,044,926
Foreign currency translation reserve	**1,537,200**	1,537,200
(on Non - Integral Foreign Operation Investment)		-
Provision during the period	**(75,600)**	
	1,461,600	1,537,200
Profit and loss account	**686,059,400**	773,196,248
	4,122,273,760	4,235,821,341
# Refer Note no. 5.2 of Schedule 20		
SCHEDULE 3		
SECURED LOANS		
From Banks *	**938,130,056**	952,050,867
Others *	**220,878,454**	517,598,035
	1,159,008,510	1,469,648,903
Repayable within one year		
- Foreign currency convertible bonds	-	-
- Other loans	**4,738,754**	4,4[illegible],[illegible]29
* Refer Note no. 5.1 of Schedule		
SCHEDULE 4		
UNSECURED LOANS		
Foreign currency convertible bonds*	**9[illegible],645,550**	971,484,640
Other loans	**970,[illegible]4,978**	705,283,406
	1,935,590,528	1,676,768,246

(All Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010

SCHEDULE 5
FIXED ASSETS

(Amount in ₹)

Asset type	Gross block			Depreciation and amortisation			Net block	
	As at 01-10-2010	Additions	As at 31-03-2010	As at 01-10-2010	For the period	As at 31-03-2010	As at 31-03-2010	As at 30-09-2011
Tangible assets:								
Buildings *	111,878,181	-	111,878,181	6,567,628	909,308	7,476,936	**104,401,245**	105,310,553
Office & other equipments	27,041,029	165,125	27,206,154	2,926,607	647,456	3,574,063	**23,632,091**	24,114,422
Furniture and fixtures	44,025,353		44,025,353	5,585,030	1,389,777	6,974,807	**37,050,546**	38,440,323
Computers	4,345,452	362,990	4,708,442	2,401,136	341,418	2,742,554	**1,965,888**	1,944,316
Vehicles	36,518,563		36,518,563	9,956,754	1,729,877	11,686,631	**24,831,932**	26,561,809
	223,808,578	**528,115**	**224,336,693**	**27,437,156**	**5,017,836**	**32,454,991**	**191,881,702**	196,371,423
Intangible assets:								
Production rights for films	3,518,011,252	407,500,000	3,925,511,252	3,518,011,252	407,500,000	3,925,511,252	**0**	0
Distribution rights for films	332,900,000	(227,900,000)	105,000,000	332,900,000	(227,900,000)	105,000,000	0	0
	3,850,911,252	**179,600,000**	**4,030,511,252**	**3,850,911,252**	**179,600,000**	**4,030,511,252**	**0**	0
Total	**4,074,719,830**	**180,128,115**	**4,254,847,945**	**3,878,348,407**	**184,617,836**	**4,062,966,243**	**191,881,702**	196,371,423
Previous year	2,414,695,321	1,660,024,509	4,074,719,830	2,216,153,527	1,662,194,880	3,878,348,407	**196,371,423**	198,541,794

* Cost of shares ₹ 25,000 (Previous period - ₹ 25,000) in Co-operative Housing Society, in respect of 1 office premise (Previous period - 1) are included under Item No. 1 'Buildings'.
Vehicles includes purchase of ₹ 0 (Previous Period: ₹ 12,322,055) hypothecated with banks and financial institutions.

SCHEDULE 6
INVESTMENTS
Investment in subsidiaries

	As at March 31, 2011	As at September 30, 2010
(Long term, unquoted, trade and fully paid up) Shree Ashtavinayak Cine Vision FZE One (Previous Period: One) equity share of AED One million	**12,502,000**	12,577,600
Shree Ashtavinayak LFS Infra Ltd. 50,000 (Previous Period: 50,000) equity shares of ₹ 10 each, fully paid *	**500,000**	500,000
Shree Ashtavinayak Dream Pictures Ltd. 50,000 (Previous Period: 50,000) equity shares of ₹ 10 each, fully paid *	**500,000**	500,000
Shree Ashtavinayak Light Cameraaction Ltd. 50,000 (Previous Period: 50,000) equity shares of ₹ 10 each, fully paid *	**500,000**	500,000
Shree Ashtavinayak Passion Movies Ltd. 50,000 (Previous Period: 50,000) equity shares of ₹ 10 each, fully paid *	**500,000**	500,000
* 0 equity shares of ₹ 10 each fully paid acquired during year (Previous Year: 6 equity shares of ₹ 10 each fully paid subscribed during year)	**14,502,000**	14,577,600

SCHEDULE 7
SUNDRY DEBTORS

	As at March 31, 2011	As at September 30, 2010
(Unsecured, considered good except otherwise stated)		
Due for period exceeding six months		
- considered good	**10,255,460**	113,656,005
- considered doubtful	-	8,151,990
	10,255,460	121,807,995
Less: Provision for doubtful debts	-	(8,151,990)
	10,255,460	113,656,005
Others	**127,219,536**	24,076,000
	137,474,996	137,732,005
(above amt includes amt recievable from Shree Astavinayak Light Cameraction Ltd-subsidiary)	**15,397,258**	-

(All Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash in hand	1,014,390	906,548
Balance with scheduled banks in		
- current accounts	57,029,460	326,809,332
- in foreign currency account	128,247	7,110,264
- fixed deposit account under banks lien	-	1,500,000
Balance with non scheduled banks in deposit account		
Cheque in hand	-	3,842,902
	58,172,097	340,169,046
SCHEDULE 9		
OTHER CURRENT ASSETS		
Deposits	33,445,069	36,817,250
Others	108,026,000	-
	141,471,069	36,817,250
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Loan to subsidiary	4,445,340,747	4,358,842,635
Advances recoverable in cash or kind or for value to be received *	5,114,396	143,161,430
Prepaid Expenses.	2,137,207	11,949,818
	4,452,592,350	4,513,953,883
* Refer Note no. 5.6 of Schedule 20		
SCHEDULE 11		
CURRENT LIABILITIES		
Advances from customers / co-producers	921,033,067	849,792,161
Sundry creditors	39,294,389	178,550,436
Premium on redemption of foreign currency convertible bonds	155,194,159	129,684,775
Unpaid Dividend	98,543	98,723
Interest accrued but not due	16,964,925	7,858,043
Other liabilities	70,594,559	37,090,809
	1,203,179,643	1,203,074,946
SCHEDULE 12		
PROVISIONS		
Income tax (net of advance tax payment)	48,958,529	143,856,268
Proposed dividend	-	16,493,643
Corporate tax on proposed dividend	-	2,803,095
Wealth tax	285,000	600,000
Gratuity	1,461,466	1,207,251
	50,704,995	164,960,257
SCHEDULE 13		
SALES		
Sale of film rights		
- for completed films	820,556,920	3,247,300,364
- for incompleted films		
Distribution of films rights	479	33,914
Income from other operations	-	125,000,000
	820,557,399	3,372,334,278
SCHEDULE 14		
OTHER INCOME		
Interest earned	171,791,649	226,394,691
(Tax deducted at source ₹ 65,130:, Previous Period: ₹ 3,403)		
Foreign exchange gain (net)	-	-
Sundry balances written back	1,521,427	20,416,947
Excess provision written back	10,000	-
Miscellaneous income	5,148	-
	173,328,224	246,811,639

(All Amount in ₹)

Schedules forming part of the accounts

	As at March 31, 2011	As at September 30, 2010
SCHEDULE 15		
DIRECT OPERATIONAL EXPENSES		
Production Expenses	316,791,706	-
Production cost of incomplete film sold	-	116,025,439
Distribution costs	223,544,940	22,221,214
Advertising and publicity expenses	49,391,770	299,537,619
	589,728,416	437,784,272
SCHEDULE 16		
DIRECTORS' REMUNERATION		
Directors' Remunerations and Commission	3,059,049	11,056,538
	3,059,049	11,056,538
SCHEDULE 17		
EMPLOYEE COST		
Salary and allowances	1,584,373	3,800,068
Gratuity	254,215	713,768
Contribution to provident funds	88,842	275,388
E.S.I.C.	11,894	-
Staff welfare expenses	40,500	82,271
	1,979,824	4,871,495
SCHEDULE 18		
ESTABLISHMENT AND OTHER EXPENSES		
Legal and professional charges	6,050,279	15,078,267
Advertising expenses	307,226	5,790,113
Sitting fees to directors	300,000	900,000
Rent	1,529,424	4,085,291
Rates and taxes	1,632,864	7,851,252
Auditors' remuneration	1,070,242	4,445,387
Telephone and Postage expenses	3,180,257	1,558,182
Travelling and conveyance	1,372,886	3,027,953
Electricity expenses	1,165,344	3,573,864
Repairs and maintenance-others	1,823,490	5,285,993
Insurance	485,948	1,370,495
Donations	28,701	111,001
Foreign exchange loss (net)	20,579,651	95,260,751
Loss on sale of fixed assets	-	181,556
Provision for doubtful debts	-	8,151,990
Sundry advances written off	-	6,017,198
Other administrative expenses	6,830,019	2,460,584
Reimbursement of expenses	(15,397,258)	-
	30,959,074	165,149,877
SCHEDULE 19		
FINANCIAL CHARGES		
Interest		
- on term loans	50,438,774	190,998,966
- on foreign currency convertible bonds	13,774,105	54,726,683
- on other loans	22,512,972	87,587,376
Other financial costs	2,981,209	7,420,427
	89,707,060	340,733,452

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

A) SIGNIFICANT ACCOUNTING POLICIES:

1 Background

Shree Ashtavinayak Cine Vision Limited ("SACVL" or the "Company") was incorporated in 2001 as a private limited Company. In 2004, the Company was converted into a public limited Company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SACVL is engaged in production and distribution/exhibition of motion picture films.

These accounts are made up for six months from 1ST October 2010 to 31ST March 31, 2011. Any reference to term "year" in these financial statements with reference to March 2011 may be construed as "period" accordingly.

Since these are accounts for six months, the figures of the previous period (18 months) are not strictly comparable with that of the figures of the current period.

2 Basis of preparation

These financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

3 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statement are prudent and reasonable. The key estimates made by the Company in preparing these financial statements comprise provision for expenses, retirement benefits, provision for doubtful debts and income taxes. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

4 Significant accounting policies

4. 1 Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost includes purchase cost and all incidental expenses to bring the assets to their present location and condition.

Depreciation on fixed assets other than film productions and film distribution rights is provided on straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on pro–rata basis with reference to the date of addition/ disposal/ discarding.

Fixed assets having value lower than ' 5,000 are depreciated fully in the year of purchase.

4. 2 Intangible assets and amortisation

Intangible assets comprising motion pictures produced and motion picture rights which have been acquired and are controlled through custody or legal rights are capitalised at cost, where they can be reliably measured.

Where capitalised, intangible assets are regarded as having a limited useful economic life and the cost is amortised over the lower of economic useful life and period of the legal rights.

Where an assignment of rights is for a fixed fee or non refundable guaranteed fee under a non cancellable contract which permits the licensee to exploit those rights freely and the Company has no remaining obligation to perform, the cost capitalised is fully amortised in the year of sale of such rights.

At the expiry of the term of the distribution rights in motion pictures the intangible asset related to the particular agreement is derecognised.

4. 3 Borrowing cost

Borrowing costs directly attributable to production of movies, and the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4. 4 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreases.

4. 5 Revenues

a) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

b) In case of distribution rights of films:

(i) produced or rights acquired, revenue is recognised on accrual basis on receipt of business statements from theatres / sub distributors, etc.

(ii) in case of sale of such distribution rights of films, revenue is recognised on the date of sale of such rights.

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

c) In respect of films produced by the Company and distributed by others, overflow of excess collection over minimum guarantee, net of eligible expenses/ write off is recognised on intimation by distributor.

d) Revenue from sale of:

(i) film's satellite rights and video rights are recognised when it arise, based on payment/delivery/telecast milestones specified in the agreements/ arrangements entered with concerned parties.

(ii) other rights of films such as music rights and ring tone rights are recognised from effective date of exploitation of

e) Sale of film produced by the Company is recognised as under:

(i) upon receipt of theatrical release certificate in respect of self release, and

(ii) upon delivery of exploitation rights in other cases.

f) Interest income is recognised on a time proportion basis.

4. 6 Leases

Rental income or expense on operating leases is recognised on a straight-line basis over the term of the relevant

4. 7 Investments

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments and is determined separately for each individual investment. Current investments are stated at lower of cost or fair market value. Cost of investments, includes original cost of acquisition, including brokerage and stamp duty.

4. 8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognised in the Profit and Loss Account. Monetary items denominated in foreign currencies at the period-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical value. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are be recognized as income or as expenses in the period in which they arise. Exchange differences arising on a monetary item that, in substance, forms part of Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net

4. 9 Employee benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

Defined contribution plan:

In accordance with the provisions of the employees provident fund regulations, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). The Company's contribution to provident fund is charged to the Profit & Loss Account.

Defined benefit plan:

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with local regulations, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The expense is recognised at the present value of the amount payable determined using actuarial valuation carried out by an independent actuary at the balance sheet date using Projected Unit Credit Method.

There is no defined policy enabling the employees to avail encashment of leave.

4. 10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. 11 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

4. 12 Income taxes

Income tax expense comprises current income tax and deferred tax.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of (Indian) Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

4. 13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

5 Notes to the financial statements

5. 1 Secured Loans

PARTICULARS	(Amount in `) March 31, 2011	September 30, 2010
(a) Loan from banks include:		
(i) Bank overdraft / cash credit which is secured against collateral security of commercial premises & hypothecation of asset of a Company wherein certain directors of the Company are interested as directors and personal guarantee of Managing Director. Subservient charge on whole of the current assets of the Company, all type of stocks & stores, bills receivables, book debts and all other receivables & movables, both present and future. (Stock includes negatives of all the films & all version thereof, all rights titles & interest under the agreement including agreement concerning distribution, exploitation, copyrights, patents, trademarks, trade names, general intangibles pertaining to films etc. and receivables) Hypothecation of assets purchased there against, equitable mortgage of office/residential premises of the Company and pledge of shares of Company held by Director.	254,922,198	239,161,133
(ii) Term loans secured by way of exclusive first charge on assets acquired/film produced there-against. Further secured by second charge on whole of current assets including receivables, debts, pledge of shares by promoter, Managing Director's personal guarantee and equitable mortgage of property owned by third party.	682,011,692	710,458,888
(iii) Vehicle Loan secured against vehicles purchased there-against	1,196,166	2,430,846
Total Loans From Banks	938,130,056	952,050,867
Loan from others include:		
(i) Loan secured by equitable mortgage of property owned by third party and Managing Director's personal guarantee.	77,791,349	300,000,000
(ii) Loan secured by pledge of shares held by promoter	-	180,000,000
(iii) Loan secured against mortgage of property purchased there against	143,087,105	37,598,036
(iv) Other loans secured against 'negative rights' of film under production and pledge of shares of the Company held by promoter	-	-
Total Loans From Others	220,878,454	517,598,036
Total Secured Loans	1,159,008,510	1,469,648,903

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

5. 2 Foreign Currency Convertible Bonds ("FCCB")

The Company has outstanding 2.875 per cent FCCB due in December 2012 of US$ 100,000 each convertible into equity shares aggregating to US$ $ 21,627,000. The Bond holders have the option to convert these FCCB into equity shares of the Company at a price of Rs.45 (number adjusted after split of face value) per share (reset to Rs.43.98 (number adjusted after split of face value), subject to further adjustment, if any) with a fixed exchange rate of Rs.39.35 per US$ 1, at any time on or after January 21, 2008 and before November 22, 2012.

The FCCB may be redeemed, in whole but not in part, at the option of the Company at any time on or after December 21, 2010 but before December 22, 2012, subject to the satisfaction of certain conditions. The FCCB are redeemable on December 22, 2012 at a premium of 26.41465 percent of their principal amount unless previously converted, redeemed, purchased or cancelled. The Bonds are listed on the Singapore Exchange Securities Trading Limited ('SGXST')

Premium payable on FCCB not converted on the date of these accounts is written off against securities premium account in accordance with section 78 (2) read with section 2 (12) of the Companies Act 1956.

At end of the period, the Company had outstanding bonds of $ 21,627,000. The Company has received notices for conversion for bonds amounting to $ 14,777,000 which is pending, awaiting court order.

5. 3 Deferred tax liability at the year end include:

PARTICULARS	(Amount in Rs.) March 31, 2011	September 30, 2010
Deferred tax liability		
Depreciation	12,751,723	12,465,446
(a) Total deferred tax liability	**12,751,723**	**12,465,446**
Deferred tax asset		
Provision for gratuity	474,173	83,044
(b) Total deferred tax asset	**474,173**	**83,044**
Deferred tax liability (net) (a - b)	**12,277,550**	**12,382,402**

5. 4 Capital work-in progress:

The Company is involved in the development / production of new motion pictures. This capital expenditure upon completion is classified as self generated intangible assets. The capital work in progress incurred till the year end is as follows:

PARTICULARS	(Amount in Rs.) Opening Balance	Transactions Debit	Credit	Closing Balance
Capital Work-in-Progress.	1,442,512,110	1,063,922,099	1,127,033,045	1,379,401,163
Intangible Assets.	-	407,500,000	407,500,000	-
Capital Advances	2,914,600,000	742,621,764	724,900,000	2,932,321,764
Grand Total	4,357,112,110	2,214,043,863	2,259,433,045	4,311,722,927

Advances given as aforesaid are subject to confirmation and reconciliation.

5. 5 Capital Commitments

Estimated amounts of contracts remaining to be executed on capital account (for production) and not provided are Rs. 2,381,700,000 (Previous Period 1,786,800,000).

5. 6 Loans & Advances in the nature of loans pursuant to Clause 32 of the Listing Agreement

Particulars	(Amount in ˋ) March 31, 2011	September 30, 2010	Max Balance for the Period.	Max Balance for the Previous Period
Shree Ashtavinayak Cine Vision FZE	4,445,090,747	4,300,842,635	4,445,090,747	4,300,842,635
Shree Ashtavinayak Light Camera Action Limited	-	58,000,000	58,000,000	85,000,000
Shree Ashtavinayak LFS Infra Limited	50,000	-	50,000	-
Shree Ashtavinayak Dream Pictures Limited	50,000	-	50,000	-
Shree Ashtavinayak Passion Movies Limited	150,000	-	150,000	-

(a) Amount advanced to subsidiary is in nature of loan, where the loan is re-payable on demand.

(b) Advances to employees are not in the nature of loans and there are no other advances in the nature of loans.

(c) No advances in the nature of loan are given to any subsidiary or an associate for investment in shares of the Company.

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

5. 7 In the opinion of the management, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of the business, and are subject to confirmation and reconciliation. The provision for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary. Unsecured loans, items of capital work-in-progress, and capital advances are subject to confirmation. According to the management, the amount standing in respective accounts of capital work-in-progress and capital

5. 8 The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding:

(a) Amount due and outstanding to suppliers as at the end of the accounting year;
(b) Interest paid during the year;
(c) Interest payable at the end of the accounting year;
(d) Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the act. The management believes that figure for disclosure will not be significant.

5. 9 There is an outstanding amount of undisputed income-tax of an amount of Rs. 23.67 Million and tax deducted at source of an amount of Rs.25.94 Million on the Balance Sheet Date for more than six months.

5. 10 Foreign Currency exposures not covered by forward contracts:

Particulars	Currency	March 31, 2011		September 30, 2010	
		Foreign Currency Amount	Indian Rupees Amount	Foreign Currency Amount	Indian Rupees Amount
Foreign currency convertible bonds (FCCB)	USD	21,627,000	965,645,550	21,627,000	971,484,840
Premium on FCCB	USD	3,475,793	155,194,159	2,887,016	129,684,774
Loan to subsidiary	USD	99,554,104	4,445,090,747	95,744,493	4,300,842,635
Accrued interest on FCCB loan	USD	379,954	16,964,925	174,443	7,858,043
Bank balances	USD	2,872	128,247	243,837	10,953,166

5. 11 Additional information as required by paragraph 3 & 4 of Part II of Schedule VI of the

(a) Auditors remuneration

PARTICULARS	(Amount in Rs.)	
	March 31, 2011	September 30, 2010
Statutory Audit Fees	**462,500**	2,773,000
Certification and other services	**84,000**	1,040,000
Tax Audit Fees	**400,000**	200,000
Out of Pocket expenses	**26,213**	19,048
Service tax	**97,529**	413,339
TOTAL	**1,070,242**	4,445,387

(b) Foreign currency transactions

PARTICULARS	(Amount in Rs.)	
	March 31, 2011	September 30, 2010
Expenditure (on actual payment basis)		
Interest	**4,465,312**	44,635,305
Overseas shooting	**0**	40,393,315
Consultancy	**0**	684,760
TOTAL	**4,465,312**	85,713,380
Earnings - bank interest (on actual receipt basis)	**0**	2,964,505
TOTAL	**0**	2,964,505

(c) Managerial remuneration

PARTICULARS	(Amount in Rs.)	
	March 31, 2011	September 30, 2010
Salary, allowances and Commission	**3,059,049**	11,056,538
TOTAL	**3,059,049**	11,056,538

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

The above does not include gratuity benefits as the provision for these are determined for the Company as a whole and therefore separate amounts for the directors are not available.

(d) Computation of Directors Remuneration in terms of the Companies Act, 1956

PARTICULARS	(Amount in Rs.)	
	March 31, 2011	September 30, 2010
Net profit before tax per profit and loss account	**(134,065,636)**	542,255,699
Add / (Less):		
Directors' remuneration	**3,059,049**	11,056,538
Directors' sitting fees	**300,000**	900,000
Profit on sale of fixed assets to the extent of sale price not exceeding cost	**0**	181,556
Share issue expenses and premium on redemption of foreign currency convertible bonds charged to securities premium account (net of written back on conversion)		(19,042,308)
Adjusted net profit	**0**	535,351,485
Maximum commission payable to managing director (5% of net profit)	**0**	26,767,574
Less: Salaries, perquisite and other allowances to the MD		(5,918,296)
Balance eligible for commission	**0**	**20,849,278**
Managing director's commission paid and approved by board of directors		2,849,262
Total managerial remuneration payable not to 11% of net profits as computed above	**0**	58,888,663
Total remuneration to managing director and whole time directors not exceed 10% of net profits computed above	**0**	53,535,149

In view of negative profits, Adjusted profit is shown as Zero. In absence of adequate profits, the manegerial personnel are paid remuneration not exceeding the limits specified in Schedule XIII to the Companies Act 1956.

(e) Particulars of installed capacities and actual production

The Company is in the business of film production, distribution and other allied entertainment businesses which is not subject to any license; hence licensed capacity is not given. Further, in this type of business, the installed capacity, consumption of raw materials, components, spare parts and other inputs are not quantifiable.

(f) Quantitative details

The Company is engaged in production of films which requires various types, qualities and quantities of raw materials and inputs in different denominations Due to multiplicity and complexity of the items, it is not practicable to maintain quantitative records of stock registers as the process of making films is not amenable to it. Hence, quantitative details are not maintained.

5. 12 Earnings per share ("EPS") is calculated as under:

PARTICULARS	(Amount in Rs.)	
BASIC EARNINGS PER SHARE		
Net Profit after taxation per profit and loss account	(87,136,848)	363,041,219
Weighted average number of shares outstanding for basic EPS	824,682,155	794,264,267
Basic earnings per share	**(0.11)**	**0.46**
DILUTED EARNINGS PER SHARE		
Net Profit after taxation per profit and loss account	(87,136,848)	363,041,219
Add/(Less): Interest and potential foreign exchange (gain)/loss on foreign currency convertible bonds("FCCB") (net of tax)	5,299,068	(50,620,113)
Adjusted net profit	**(81,837,780)**	**312,421,107**
Weighted average number of shares outstanding for the period	824,682,155	794,264,267

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

Add: Potential shares on conversion of FCCB including eligible bonus shares thereon	96,749,780	96,749,780
Adjusted weighted average number of shares outstanding for dilutive EPS	**921,431,935**	**891,014,047**
Dilutive EPS	**(0.09)**	**0.35**

5. 13 Related party disclosure

List of related parties other than where control exists with whom the Company has entered into transactions during the year	
Subsidiaries	Shree Ashthavinayak Cine Vision FZE
	Shree Ashtavinayak LFS Infra Limited
	Shree Ashtavinayak Dream Pictures Limited
	Shree Ashtavinayak Light Cameraaction Limited
	Shree Ashtavinayak Passion Movies Limited
Key management personnel (KMP)	Dhilin H. Mehta - Chairman and Managing Director
	Rupen Amlani - Whole time Director
	Hiren Gandhi - Whole time Director
	Dhaval Jatania – Whole time Director
Relatives of KMP	Preeti D. Mehta – Wife of Chairman and Managing Director
	Pankti H. Mehta – Sister of Chairman and Managing Director
Enterprise over which KMP have significant influence	Dahlia Traders Private Limited

During the year, following transactions were carried out with related parties in the ordinary course of business:

PARTICULARS	March 31, 2011	September 30, 2010
Transactions with subsidiaries		
Interest income		
Shree Ashtavinayak Cine Vision FZE	171,661,863	221,718,103
Investments made in subsidiaries		
Shree Ashtavinayak LFS Infra Limited *	-	60
Shree Ashtavinayak Dream Pictures Limited *	-	60
Shree Ashtavinayak Light Camera action Limited *	-	60
Shree Ashtavinayak Passion Movies Limited *	-	60
* shares acquired from KMP and relatives of KMP		
Loans granted		
Shree Ashtavinayak Cine Vision FZE	-	2,834,312,353
{includes unrealised foreign exchange gain of Rs.Nil		
(Previous Period unrealised foreign exchange gain of Rs.		
Loans Recovered		
Shree Ashtavinayak Cine Vision FZE {includes unrealised foreign exchange loss: Nil (Previous Period: unrealised foreign exchange loss of Rs. 190,938,477)}	-	265,669,324
Reimbursement of Expenses		
Shree Ashtavinayak Light Cameraaction Ltd.	15,397,258	-
Balance outstanding as at year-end		
Investment		
Shree Ashthavinayak Cinevision FZE	12,502,000	12,577,600
Shree Ashtavinayak LFS Infra Ltd.	500,000	500,000
Shree Ashtavinayak Dream Pictures Ltd.	500,000	500,000
Shree Ashtavinayak Light Cameraaction Ltd.	500,000	500,000
Shree Ashtavinayak Passion Movies Ltd.	500,000	500,000
Loans		
Shree Ashthavinayak Cine Vision FZE	4,445,090,747	4,300,842,635
Shree Ashtavinayak LFS Infra Ltd.	50,000	0
Shree Ashtavinayak Dream Pictures Ltd.	50,000	0
Shree Ashtavinayak Light Cameraaction Ltd.	-	58,000,000
Shree Ashtavinayak Passion Movies Ltd.	150,000	0
Share Application money		
Shree Ashtavinayak Light Cameraaction Ltd.	108,026,000	

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

Transactions with enterprise over which KMP have significant influence		
Rent paid	1,464,624	3,883,476
Compensation income	-	-
Deposit given for premises taken on operating lease	-	1,500,000
Capital advances given for purchase of fixed assets	-	-
Realisations of sundry debtors	-	2,477,671
Refund of capital advances	-	41,000,000
Loans taken	803,256,877	584100000
Loans repaid	130,576,907	492215000
Balance outstanding as at year-end		
Sundry debtors	-	-
Deposits receivable	1,500,000	1,500,000
Advances receivable	-	-
Loans payable	764,564,970	45,000,000
Transactions with KMP and their relatives		
Remuneration		
- to Chairman and Managing Director	1,184,979	6,918,330
- to other Whole time Directors	1,874,070	4,138,208
Purchase of shares of from KMP	-	80
Purchase of shares of from relatives of KMP	-	80

Notes: Related party relationship have been identified by the management and relied upon by the auditors.
During the period, some loan creditors, whom equity shares of the Company held by the Related parties were offerd as securities, liquidated the shares against loans granted to the Company. The amount recovered by the loan creditors is accordingly removed from their account and credited to the concerned related parties. The same are reflected in above statement as loans taken and given.

5. 14 Operating leases

The Company has no leased facilities under non-cancellable operating leases. The Company's office facilities are under cancellable operating lease agreements.

PARTICULARS	(Amount in Rs.) March 31, 2011	September 30, 2010
Total lease rent under cancellable operating leases	**1,529,424**	**4,085,291**

5. 15 Employee retirement and other benefits

The following are employee benefit plans applicable to the Company.

Defined Contribution Plan (Amount in Rs.)

PARTICULARS	March 31, 2011	September 30, 2010
Contribution to Provident Fund	**88,842**	**275,388**

Defined benefit plan

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the Balance sheet date, carried out by The following table sets forth the funded status of these plans of the Company and amounts recognised in Company's Balance Sheet as per AS 15 (revised) – 'Employees Benefits'.

PARTICULARS	(Amount in Rs.) March 31, 2011	September 30, 2010
Present value of the defined benefit obligation at the end of the year	**1,461,466**	1,422,914
Fair value of the plan assets	**0**	0
Net liability	**1,461,466**	**1,422,914**

The amount recognised in other income and salary and other benefits in the profit & loss account as follows in respect of the gratuity.

PARTICULARS	(Amount in Rs.) March 31, 2011	September 30, 2010
Current service cost	170,915	206,149
Interest on defined benefit obligation	87,280	57,367
Expected return on plan assets	0	0
Net actuarial (gain)/loss on plan assets	(186,826)	321,440

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

Vested Benefit	(32,817)	344,475
Net Gratuity Cost	38,552	929,431

Reconciliation of present value of the obligation and the fair value of the plan assets

PARTICULARS	(Amount in Rs.)	
	March 31, 2011	September 30, 2010
Opening Defined Benefit Cost	1,422,914	493,483
Current service cost	170,915	206,149
Interest Cost	87,280	57,367
Past Service Cost	(32,817)	344,475
Actuarial (gain)/loss	(186,826)	321,440
Benefit paid		
Net Gratuity Cost	1,461,466	1,422,914

Principal actuarial assumptions at the balance sheet date March 31, 2011

PARTICULARS	March 31, 2011	September 30, 2010
Discount rate	8.25%	8.00%
Salary escalation	5.00%	5.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

5. 16 Segment information:

(a) Primary segment:

The Company has disclosed Business Segment as the primary segment.

Particulars	Film production & distribution		Film distribution		Others		Total	
	31/3/2011	30/9/2010	31/3/2011	30/9/2010	31/3/2011	30/9/2010	31/3/2011	30/9/2010
Segment revenue								
Sales to external customer	820,556,920	3,122,300,364	479	33,914		250,000,000	820,557,399	3,372,334,278
Inter segment revenue	-	-	-	-	-	-	-	-
Total segment revenue	820,556,920	3,122,300,364	479	33,914	-	250,000,000	820,557,399	3,372,334,278
Segment result	46,873,444	607,716,475	(222,444,461)	(24,015,598)	(1,100,000)	248,100,000	(176,671,017)	831,800,877
Unallocated corporate inco	-	-	-	-	-		173,328,224	246,811,639
Unallocated corporate exp	-	-	-	-	-		(41,015,783)	(195,623,365)
Interest and financial expe	-	-	-	-	-		(89,707,060)	(340,733,454)
Profit before taxation	46,873,444	607,716,475	(222,444,461)	(24,015,598)	(1,100,000)	248,100,000	(134,065,636)	542,255,697
Income taxes							(47,380,000)	180,600,000
Deferred tax liabilities							(104,852)	4,069,100
Tax Adjustment for Earlier							471,064	(5,979,620)
Wealth tax							85,000	525,000
Profit after tax	46,873,444	607,716,475	(222,444,461)	(24,015,598)	(1,100,000)	-	(87,136,848)	363,041,219
Segment assets	4,471,120,486	4,601,281,533	12,491,834	39,774,119	-		4,483,612,319	4,641,055,652
Unallocated assets	-	-	-	-	-		4,824,204,821	4,946,282,597
Total assets	4,471,120,486	4,601,281,533	12,491,834	39,774,119	-	-	9,307,817,141	9,587,338,250
Segment liabilities	778,574,185	2,461,532,628	830,075,791	2,456,709	-		1,608,649,976	2,463,989,337
Unallocated liabilities	-	-	-	-	-		2,752,211,249	2,062,845,418
Total liabilities	778,574,185	2,461,532,628	830,075,791	2,456,709	-	-	4,360,861,226	4,526,834,754
Cost incurred to acquire							-	-
Segment assets	407,500,000	2,102,749,129	(227,900,000)	-	-		179,600,000	2,102,749,129
Unallocated assets							528,115	19,556,640
Amortisation/depreciatio							-	-
Segment assets	407,500,000	2,102,749,129	-	-	-		407,500,000	2,102,749,129
Unallocated depreciation							5,017,836	14,545,455

The business of the Company is divided into three segments – Film production & distribution, Film distribution and other These segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

SCHEDULE 20 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

Film production & distribution, represents share of net income from movies produced/co-produced or in which the Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

(a) Geographic segment:

The Company operates only in India and therefore is considered as a single geographic segment.

Exchange rate difference arising on account of Loans given to foreign non-integral operation is charged to revenue in accordance with paragraph 15 and 16 of AS-11 in view of fixed period of loan. The Exchange rate difference arising on investment value of the non-integral operation is transferred to foreign currency translation reserve in the enterprise's financial statements until the disposal of the net investment, at which time it will be recognized as income or as expenses.

5. 17 **Disclosure of Provisions as required by AS-29 is as under:**

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount	Closing Balance
	-	-	-	-
Income Tax	158,997,158	65,120,000	23,397,158	200,720,000

5. 18 Figures of previous year have been regrouped / rearranged wherever considered necessary.

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER
Firm Re 116457W
Membership No.: 049361
Mumbai: May 27, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

Rupen Amlani Dhaval Jatania Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Cash Flow Statement for the period ended March 31, 2011

(All Amount in ₹)

	Period ended March 31, 2011	Period ended September 30, 2010
A. Cash flow from operating activities		
Profit before taxation	(134,065,636)	542,255,699
Adjustment for:		
Depreciation and amortisation	412,517,836	2,117,294,584
Interest and other finance costs	89,707,060	340,733,452
Interest income	(171,791,649)	(226,394,691)
Sundry balances written back	(1,536,575)	(20,416,947)
Rent income	-	-
Loss on sale of fixed assets	-	181,556
Unrealised loss on exchange difference (net)	20,619,328	109,288,844
Provision for doubtful debts	-	8,151,990
Sundry advances written off	-	6,017,198
Provision for gratuity	254,215	713,768
Operating profit before working capital changes	215,704,579	2,877,825,453
Adjustment for:		
Sundry debtors	162,778,659	55,268,677
Other Current Assets	111,526,000	-
Loans and advances	96,982,045	(5,734,859)
Current liabilities	(91,077,736)	(471,582,230)
Net cash generated from operating activities	495,913,547	2,455,777,041
Taxes paid	(25,529,535)	(104,407,678)
Net cash flow from operating activities	470,384,012	2,351,369,364
B. Cash flow from investing activities		
Purchase of fixed assets and change in capital work in progress	(360,305,843)	(1,263,394,745)
Advances for purchase of film rights (Production)	(199,000,000)	(1,249,857,379)
Advances for purchase of film distribution rights	-	-
Proceeds from sale of fixed assets	-	7,000,000
Investment in subsidiaries	-	(240)
Loan to subsidiary	(46,576,000)	(2,672,339,000)
Rent income	-	-
Interest received	129,786	4,687,808
Net cash used in investing activities	(605,752,057)	(5,173,903,556)
C. Cash flow from financing activities		
Dividend paid (including tax thereon)	(19,296,739)	(14,711,603)
Proceeds from issue of shares	-	3,369,598,528
Proceeds from borrowings	898,438,690	1,269,472,515
Repayment of borrowings	(984,173,107)	(1,108,758,943)
Interest paid	(41,538,380)	(358,380,961)
Expenses on issue of shares charged to securities premium	-	(2,574,850)
Net cash flow from financing activities	(146,569,536)	3,154,644,686
Net increase/(decrease) in cash & cash equivalents	(281,937,580)	332,110,494
Exchange impact on cash and cash equivalents	(59,369)	(58,914,097)
Cash and cash equivalents at the beginning of the year	340,169,046	66,972,648
Cash and cash equivalents at the year end	58,172,097	340,169,046

* The cost of films produced & distribution rights acquired are treated as fixed assets & accordingly amortisatised. The revenue collections there against are reflected in cash flow from operating activities.

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.: 49361
Mumbai: May 27, 2011

Rupen Amlani | Dhaval Jatania | Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

AUDITORS' REPORT

To
The Members,
SHREE ASHTAVINAYAK CINE VISION LIMITED

We have audited the attached Consolidated Balance Sheet of Shree Ashtavinayak Cine Vision Limited ('the Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') as at **31st March 2011**, and also consolidated Profit and Loss account for the period ended on that date annexed thereto, and Consolidated Cash Flow Statement of the Group for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable

We did not audit the financial statements of subsidiaries. These financial statements and other financial information have been audited/reviewed by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidaries is based solely on the reports of the other auditors.

The details of assets and revenues in respect of these susidaries and the net carrying cost of investment and the current period share of profit or loss of in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:	(All Amounts in ₹)		
	Total assets	**Total revenues**	**Net Cash inflow**
Indian and foreign Subsidaries	5,035,979,658	421,000,000	(48,579,317)

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard ('AS') 21 "Consolidated Financial Statements" prescribed by the Companies (Accounting Standards) Rules, 2006.

In our opinion, and to the best of information, and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956 in the manner so required, and give a true and fair view in conformity with accounting principles generally accepted in India:

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

(i) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;

(ii) in case of Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the period ended on that date.

(iii) in case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the period ended on that date.

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER

Firm Regn. No:	116457W
Membership No.:	49361
Mumbai:	May 27, 2011

Consolidated Balance Sheet as at March 31, 2011

(All Amounts in ₹)

	Sch.	As at 31/03/2011		As at 30/09/2010	
(1) SHARE HOLDERS' FUNDS:					
(a) Share Capital	1	824,682,155		824,682,155	
(b) Reserves and Surplus	2	4,074,990,259	4,899,672,414	4,296,440,282	5,121,122,437
(2) LOAN FUNDS:					
(a) Secured Loans	3	1,159,008,510		1,469,648,903	
(b) Unsecured Loans	4	1,935,690,528	3,094,699,038	1,676,768,246	3,146,417,149
Deferred Tax Liability (Net)			12,277,550		12,382,402
			8,006,649,002		8,279,921,988
APPLICATION OF FUNDS					
(1) FIXED ASSETS	5				
(a) Gross Block		4,558,147,945		4,074,719,830	
(b) Less: Accumulated depreciation and amortisation		4,366,266,243		3,878,348,407	
(c) Net Block		191,881,702		196,371,423	
(d) Capital work-in-progress including capital advances		8,712,162,409	8,904,044,111	8,644,070,925	8,840,442,348
(2) INVESTMENTS			-		-
(3) CURRENT ASSET, LOANS AND ADVANCES					
(a) Inventories		-		-	
(b) Sundry Debtors	6	147,600,919		180,857,005	
(c) Cash and Bank Balances	7	71,904,979		401,083,821	
(d) Other Current Assets	8	34,040,069		37,442,470	
(e) Loans and Advances	9	420,963,897		261,262,490	
	(A)	674,509,864		880,645,786	
LESS: CURRENT LIABILITIES AND PROVISIONS					
(a) Current Liabilities	10	1,521,199,979		1,266,205,888	
(b) Provisions	11	50,704,995		174,960,258	
	(B)	1,571,904,973		1,441,166,146	
NET CURRENT ASSETS	(A-B)		(897,395,109)		(560,520,360)
(4) MISCELLANEOUS EXPENDITURE			-		-
			8,006,649,002		8,279,921,988
			-		-

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.
NOTES TO ACCOUNTS 19

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

(Mehul Shah)
PARTNER
Firm Regd. No: 116457W
Membership No.: 49361
Mumbai: May 27, 2011

Rupen Amlani   Dhaval Jatania   Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Consolidated Profit And Loss Account for the period ended March 31, 2011

(Amounts in ₹)

	Sch.	Period ended 31/03/2011		Period ended 30/09/2010	
(1) INCOME					
Sales	12	1,241,557,399		3,821,302,432	
Other Income	13	1,666,361	1,243,223,760	25,245,777	3,846,548,209
(2) EXPENDITURE					
Amortisation		710,800,000		2,102,749,129	
Direct Operational Expenses	14	708,412,916		462,784,272	
Directors' Remuneration	15	3,059,049		11,056,537	
Depreciation	5	5,017,836		14,545,455	
Employee cost	16	2,538,630		5,712,097	
Establishment and other expenses	17	46,663,343		169,894,145	
Financial Charges	18	89,793,451	1,566,285,225	340,838,003	3,107,579,638
Profit Before Tax and Exceptional Items			(323,061,465)		738,968,571
Less: Taxation and Non-Tax Bearing Items					
Current Tax		(52,080,000)		190,600,000	
Deferred Tax		(104,852)		4,069,100	
Wealth tax		85,000		0	
Fringe Benefit Tax		-		0	
Reversal of Provision for Taxation		471,064	(51,628,788)	(5,979,621)	188,689,480
Profit After Tax and Exceptional Items			(271,432,677)		550,279,092
Add / (less) Prior Period Items			-		9,530
Profit after Prior period Items			(271,432,677)		550,288,622
Add: Balance Brought Forward			840,127,113		309,135,229
Profit Available for Appropriation			568,694,435		859,423,851
Less: Appropriations					
Transfer to General Reserve		-		0	
Proposed Dividend		-		16,493,643	
Tax on Proposed Dividend		-	-	2,803,095	19,296,738
Surplus Carried to Balance Sheet			568,694,435		840,127,113
Earning Per Share					
Basic Earning Per Share			(0.33)		0.69
Diluted Earning Per Share			(0.29)		0.56
Nominal value per share			1.00		1.00

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

NOTES TO ACCOUNTS 19

AS PER OUR REPORT OF EVEN DATE

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)
PARTNER
Firm Regn. No: 116457W
Membership No.: 49361
Mumbai: May 27, 2011

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Dhilin Mehta
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WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

SCHEDULES TO CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2011

(Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
1,000,000,000 Equity shares of ₹ 1 each, (Previous Period: 1,000,000,000 (number adjusted after spilt of face value) for Equity share of ₹ 1 each)	**1,000,000,000**	1,000,000,000
Issued, subscribed and paid up		
824,682,155 Equity shares of ₹ 1 each, (Previous Period: 824,682,155 (number adjusted after spilt of face value) Equity shares of ₹ 1 each) fully paid-up *	**824,682,155**	824,682,155
	824,682,155	824,682,155
* Includes 694,125,724 equity shares of ₹ 1 fully paid (Previous Period: 694,125,724 (number adjusted after spilt of face value) equity shares of ₹ 1 fully paid) issued as bonus shares by capitalisation of securities premium account		
* Includes 6,819,621 equity shares of ₹ 1 each fully paid (Previous Period: 6,819,621 (number adjusted after spilt of face value) equity shares of ₹ 1 each fully paid) issued on conversion of foreign currency convertible bonds ("FCCB").		
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities premium account		
Opening balance	**3,449,042,966**	644,515,767
Add: Premium on issue of equity shares	**-**	3,316,265,218
Add: Premium on conversion of FCCB *	-	293,107,311
Add: Writeback of redemption premium for FCCB converted during the year	-	36,898,390
Less: Capitalisation of bonus shares *	**-**	(659,745,724)
Less: Provision for premium on redemption of FCCB *	**(26,335,132)**	(81,920,746)
Less: Issue expenses	**-**	(100,077,250)
	3,422,707,834	3,449,042,966
General reserve	**-**	
Opening balance	**12,044,926**	12,044,926
Add: Appropriation from profit and loss account	**-**	-
	12,044,926	12,044,926
	-	
Foreign currency translation reserve (on Non - Integral Foreign Operation Investment)	**-**	-
Provision during the period	**-**	
	-	-
	-	
Profit and loss account	**568,694,435**	841,799,602
Currency translation adjustment	**71,543,063**	(6,447,209)
	4,074,990,259	4,296,440,282
* Refer Note no. 5.2 of Schedule 19		
SCHEDULE 3		
SECURED LOANS		
From Banks *	**938,130,056**	952,050,867
Others *	**220,878,454**	517,598,036
	1,159,008,510	1,469,648,903
Repayable within one year		
- Foreign currency convertible bonds	**-**	-
- Other loans	**4,738,754**	4,439,329
* Refer Note no. 5.1 of Schedule 19		
SCHEDULE 4		
UNSECURED LOANS		
Foreign currency convertible bonds*	**965,645,550**	971,484,840
Other loans	**970,044,978**	705,283,406
	1,935,690,528	1,676,768,246

SCHEDULES TO CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2011

(Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010

SCHEDULE 5
FIXED ASSETS

(Amount in ₹)

	Gross block			Depreciation and amortisation			Net block	
Asset type	As at October 1, 2010	Additions	As at March 31, 2011	As at October 1, 2010	For the period ended March 31, 2011	As at March 31, 2011	As at March 31, 2011	As at September 30, 2010
Tangible assets:								
Buildings *	111,878,181	-	111,878,181	6,567,628	909,308	7,476,936	**104,401,245**	105,310,553
Office & other equipments	27,041,029	165,125	27,206,154	2,926,607	647,456	3,574,063	**23,632,091**	24,114,422
Furniture and	44,025,353		44,025,353	5,585,030	1,389,777	6,974,807	**37,050,546**	38,440,323
Computers	4,345,452	362,990	4,708,442	2,401,136	341,418	2,742,554	**1,965,888**	1,944,316
Vehicles	36,518,563		36,518,563	9,956,754	1,729,877	11,686,631	**24,831,932**	26,561,809
	223,808,578	528,115	224,336,693	27,437,155	5,017,836	32,454,991	191,881,702	196,371,423
Intangible assets:								
Production ri	3,518,011,252	407,500,000	3,925,511,252	3,518,011,252	407,500,000	3,925,511,252	-	-
Distribution r	332,900,000	75,400,000	408,300,000	332,900,000	75,400,000	408,300,000	-	-
	3,850,911,252	482,900,000	4,333,811,252	3,850,911,252	482,900,000	4,333,811,252	-	-
Total	4,074,719,830	483,428,115	4,558,147,945	3,878,348,407	487,917,836	4,366,266,243	191,881,702	196,371,423
Previous yea	2,414,695,321	1,660,024,509	4,074,719,830	2,216,153,527	1,662,194,880	3,878,348,407	198,371,423	198,541,794

* Cost of shares ₹ 25,000 (Previous period - ₹ 25,000) in Co-operative Housing Society, in respect of 1 office premise (Previous period - 1) are included under Item No. 1 'Buildings'.
Vehicles includes purchase of ₹ 0 (Previous Period: ₹ 12,322,055) hypothecated with banks and financial institutions.

SCHEDULE 6
SUNDRY DEBTORS

	As at March 31, 2011	As at September 30, 2010
(Unsecured, considered good except otherwise stated)		
Due for period exceeding six months		
- considered good	**10,255,460**	113,656,005
- considered doubtful	-	8,151,990
	10,255,460	121,807,995
Less: Provision for doubtful debts	-	(8,151,990)
	10,255,460	113,656,005
Others	137,345,459	67,201,000
	147,600,919	180,857,005

SCHEDULE 7
CASH AND BANK BALANCES

	As at March 31, 2011	As at September 30, 2010
Cash in hand	**2,486,504**	1,083,577
Balance with scheduled banks in		
- current accounts	**69,178,206**	330,746,403
- in foreign currency account	**240,269**	63,910,939
- fixed deposit account under banks lien	-	1,500,000
Balance with non scheduled banks in deposit account		
Cheque in hand	-	3,842,902
Maximum Balance outstanding at any time during the year ₹ 0 (Previous Period: ₹ 3,370,318,525)		
	71,904,979	401,083,821

SCHEDULE 8
OTHER CURRENT ASSETS

	As at March 31, 2011	As at September 30, 2010
Deposits	**34,040,069**	37,442,470
	34,040,069	37,442,470

SCHEDULES TO CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2011

(Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Advances recoverable in cash or kind or for value to be received *	418,819,566	261,299,163
Prepaid Expenses.	2,144,331	(36,673)
	420,963,897	261,262,490
* Refer Note no. 5.6 of Schedule 19		
SCHEDULE 10		
CURRENT LIABILITIES		
Advances from customers / co-producers	921,033,067	912,992,161
Sundry creditors	154,364,656	158,118,877
Premium on redemption of foreign currency convertible bonds	155,194,159	129,684,774
Unpaid Dividend	98,543	98,723
Interest accrued but not due	16,964,925	7,858,043
Share Application Money - Pending Allotment	200,000,000	-
Other liabilities	73,544,628	57,453,310
	1,521,199,979	1,266,205,888
SCHEDULE 11		
PROVISIONS		
Income tax (net of advance tax payment)	48,958,529	153,856,269
Proposed dividend	-	16,493,643
Corporate tax on proposed dividend	-	2,803,095
Wealth tax	285,000	600,000
Gratuity	1,461,466	1,207,251
	50,704,995	174,960,258
SCHEDULE 12		
SALES		
Sale of film rights		
- for completed films	820,556,920	3,477,369,538
- for incompleted films	-	
Distribution of films rights	421,000,479	33,914
Income from other operations	-	343,898,980
	1,241,557,399	3,821,302,432
SCHEDULE 13		
OTHER INCOME		
Interest earned	129,786	3,587,390
(Tax deducted at source ₹65,130:, Previous Period: ₹3,403)		
Foreign exchange gain (net)		-
Sundry balances written back	1,521,427	20,569,189
Excess provision written back	10,000	-
Miscellaneous income	5,148	1,089,198
	1,666,361	25,245,777
SCHEDULE 14		
DIRECT OPERATIONAL EXPENSES		
Production Expenses	316,791,706	-
Production cost of incomplete film sold	-	437,784,272
Distribution costs	338,544,940	25,000,000
Advertising and publicity expenses	53,076,270	-
	708,412,916	462,784,272
SCHEDULE 15		
DIRECTORS' REMUNERATION		
Directors' Remunerations and Commission	3,059,049	11,056,537
	3,059,049	11,056,537

SCHEDULES TO CONSOLIDATED ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2011

(Amount in ₹)

Schedules forming part of the accounts	As at March 31, 2011	As at September 30, 2010
SCHEDULE 16		
EMPLOYEE COST		
Salary and allowances	2,143,179	4,640,670
Gratuity	254,215	713,768
Contribution to provident funds	88,842	275,388
E.S.I.C.	11,894	-
Staff welfare expenses	40,500	82,271
	2,538,630	5,712,097
SCHEDULE 17		
ESTABLISHMENT AND OTHER EXPENSES		
Legal and professional charges	6,079,380	15,360,163
Advertising expenses	307,226	5,790,113
Sitting fees to directors	300,000	900,000
Rent	1,571,424	7,711,105
Rates and taxes	1,632,864	8,055,961
Auditors' remuneration	1,156,329	4,212,608
Telephone and Postage expenses	3,180,257	1,565,334
Travelling and conveyance	1,372,886	3,027,953
Electricity expenses	1,165,344	3,573,864
Repairs and maintenance-others	1,823,490	5,285,993
Insurance	485,948	1,370,495
Donations	28,701	116,001
Foreign exchange loss (net)	20,579,651	95,260,751
Loss on sale of fixed assets	-	181,556
Provision for doubtful debts	-	8,151,990
Sundry advances written off	-	6,017,198
Other administrative expenses	6,979,842	3,313,060
	46,663,343	169,894,145
SCHEDULE 18		
FINANCIAL CHARGES		
Interest		
- on term loans	50,438,774	211,652,050
- on foreign currency convertible bonds	13,774,106	54,726,683
- on other loans	22,512,972	66,934,288
Other financial costs	3,067,600	7,524,980
	89,793,451	340,838,003

SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011

A) SIGNIFICANT ACCOUNTING POLICIES:

1 **Background**

Shree Ashtavinayak Cine Vision Limited ("SACVL" or the "Company") was incorporated in 2001 as a private limited Company. In 2004, the Company was converted into a public limited Company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SACVL is engaged in production and distribution/exhibition of motion picture films.

These accounts are made up for six months from 1ST October 2010 to 31ST March 31, 2011. Any reference to term "year" in these financial statements with reference to March 2011 may be construed as "period" accordingly.

Since these are accounts for six months, the figures of the previous period (18 months) are not strictly comparable with that of the figures of the current period.

2 **Basis of preparation**

These consolidated financial statements include the financial statements of Shree Ashtavinayak Cine Vision Limited ('the Company' or 'parent company' and its subsidiaries (collectively known as the 'Group'). The financial statements of the subsidiaries used in the consolidation are for the same reporting period as the Company, i.e. March 31, 2011, and are audited by the auditors of the respective entities.

These consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable (except with respect to subsidiary overseas to which the said Rules are not applicable). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous period. The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its independent financial statements being the general format as specified in Schedule VI to the Companies Act 1956 (the "Act"). However, as these financial statements are The consolidated financial statements include the financial statements of the Company and its subsidiaries, collectively referred to as "the Group"

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full as per Accounting Standard (AS) 21 "Consolidated Financial Statements". The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-
The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

Subsidiaries:

Name of the Company	*Country of Incorporation*	*Proportion of Ownership Interest*
Shree Ashtavinayak Angel Media Ltd.	India	100%
Shree Ashtavinayak Dream Pictures Ltd.	India	100%
Shree Ashtavinayak Light Cameraaction Ltd.	India	100%
Shree Ashtavinayak Passion Movies Ltd.	India	100%
Shree Ashtavinayak Cine Vision FZE	Dubai, U.A.E.	100%

Since, financial statements of the subsidiary incorporated in Dubai, U.A.E. are prepared in accordance with the laws of that Country, there could be significant differences in accounting standards and policies followed and adopted. Hence, notes to accounts for this subsidiary are reproduced at the end after eliminating group common items. It may be kept in mind that, these notes may not reflect the Accounting Standards and policies followed or adopted in India for the Parent Company and other Indian Subsidiaries. All figures in standalone financial statements of foreign subsidiary are expressed in U.A.E. Dirhams. The same are translated in Indian Rupees using appropriate exchange rates for conversion for consolidation.

3 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statement are prudent and reasonable. The key estimates made by the Company in preparing these financial statements comprise provision for expenses, retirement benefits, provision for doubtful debts and income taxes. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

4 Significant accounting policies

4. 1 Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost includes purchase cost and all incidental expenses to bring the assets to their present location and condition.

Depreciation on fixed assets other than film productions and film distribution rights is provided on straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets added/ disposed off/ discarded during the year has been provided on pro–rata basis with reference to the date of addition/ disposal/ discarding.

Fixed assets having value lower than ₹ 5,000 are depreciated fully in the year of purchase.

4. 2 Intangible assets and amortisation

Intangible assets comprising motion pictures produced and motion picture rights which have been acquired and are controlled through custody or legal rights are capitalised at cost, where they can be reliably measured.

Where capitalised, intangible assets are regarded as having a limited useful economic life and the cost is amortised over the lower of economic useful life and period of the legal rights.

Where an assignment of rights is for a fixed fee or non refundable guaranteed fee under a non cancellable contract which permits the licensee to exploit those rights freely and the Company has no remaining obligation to perform, the cost capitalised is fully amortised in the year of sale of such rights.

At the expiry of the term of the distribution rights in motion pictures the intangible asset related to the particular agreement is derecognised.

4. 3 Borrowing cost

Borrowing costs directly attributable to production of movies, and the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4. 4 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreases.

4. 5 Revenues

a) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

b) In case of distribution rights of films:

(i) produced or rights acquired, revenue is recognised on accrual basis on receipt of business statements from theatres / sub distributors, etc.

(ii) in case of sale of such distribution rights of films, revenue is recognised on the date of sale of such rights.

c) In respect of films produced by the Company and distributed by others, overflow of excess collection over minimum guarantee, net of eligible expenses/ write off is recognised on intimation by distributor.

d) Revenue from sale of:

(i) film's satellite rights and video rights are recognised when it arise, based on payment/delivery/telecast milestones specified in the agreements/ arrangements entered with concerned parties.

(ii) other rights of films such as music rights and ring tone rights are recognised from effective date of exploitation of such rights.

e) Sale of film produced by the Company is recognised as under:
(i) upon receipt of theatrical release certificate in respect of self release, and

(ii) upon delivery of exploitation rights in other cases.

f) Interest income is recognised on a time proportion basis.

4. 6 Leases

Rental income or expense on operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 7 Investments

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments and is determined separately for each individual investment. Current investments are stated at lower of cost or fair market value. Cost of investments, includes original cost of acquisition, including brokerage and stamp duty.

4. 8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognised in the Profit and Loss Account. Monetary items denominated in foreign currencies at the period-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical value. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are be recognized as income or as expenses in the period in which they arise. Exchange differences arising on a monetary item that, in substance, forms part of Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the

4. 9 Employee benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

Defined contribution plan:

In accordance with the provisions of the employees provident fund regulations, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). The Company's contribution to provident fund is charged to the Profit & Loss Account.

Defined benefit plan:

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with local regulations, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The expense is recognised at the present value of the amount payable determined using actuarial valuation carried out by an independent actuary at the balance sheet date using There is no defined policy enabling the employees to avail encashment of leave.

4. 10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. 11 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no

4. 12 Income taxes

Income tax expense comprises current income tax and deferred tax.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of (Indian) Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

4. 13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

5 Notes to the financial statements

5. 1 Secured Loans

PARTICULARS	(Amount in ₹)	
	March 31, 2011	September 30, 2010
(a) Loan from banks include:		
(i) **Bank overdraft / cash credit** which is secured against collateral security of commercial premises & hypothecation of asset of a Company wherein certain directors of the Company are interested as directors and personal guarantee of Managing Director. Subservient charge on whole of the current assets of the Company, all type of stocks & stores, bills receivables, book debts and all other receivables & movables, both present and future. (Stock includes negatives of all the films & all version thereof, all rights titles & interest under the agreement including agreement concerning distribution, exploitation, copyrights. Hypothecation of assets purchased there against, equitable mortgage of office/residential premises of the Company and pledge of shares of Company held by Director.	254,922,196	239,161,133
(ii) **Term loans** secured by way of exclusive first charge on assets acquired/film produced there-against. Further secured by second charge on whole of current assets including receivables, debts, pledge of shares by promoter, Managing Director's personal guarantee and equitable mortgage of property owned by third party.	682,011,692	710,458,888
(iii) **Vehicle Loan** secured against vehicles purchased there against.	1,196,166	2,430,846
Total Loans From Banks	938,130,056	952,050,867
(b) Loan from others include:		
(i) Loan secured by equitable mortgage of property owned by third party and Managing Director's personal guarantee.	101,012,808	300,000,000
(ii) Loan secured by pledge of shares held by promoter	-	180,000,000
(iii) Loan secured against mortgage of property purchased there against	119,865,646	37,598,036
(iv) Other loans secured against 'negative rights' of film under production and pledge of shares of the Company held by promoter.		
Total Loans From Others	220,878,454	517,598,036
Total Secured Loans	1,159,008,510	1,469,648,903

5. 2 **Foreign Currency Convertible Bonds ("FCCB")**

The Company has outstanding 2.875 per cent FCCB due in December 2012 of US$ 100,000 each convertible into equity shares aggregating to US$ 29,250,000. The Bond holders have the option to convert these FCCB into equity shares of the Company at a price of ₹ 45 (number adjusted after split of face value) per share (reset to ₹ 43.98 (number adjusted after split of face value), subject to further adjustment, if any) with a fixed exchange rate of ₹ 39.35 per US$ 1, at any time on or after January 21, 2008 and before November 22, 2012.

The FCCB may be redeemed, in whole but not in part, at the option of the Company at any time on or after December 21, 2010 but before December 22, 2012, subject to the satisfaction of certain conditions. The FCCB are redeemable on December 22, 2012 at a premium of 26.41465 percent of their principal amount unless previously converted, redeemed, purchased or cancelled. The Bonds are listed on the Singapore Exchange Securities Trading Limited ('SGXST')

Premium payable on FCCB not converted on the date of these accounts is written off against securities premium account in accordance with section 78 (2) read with section 2 (12) of the Companies Act 1956.

At end of the period, the Company had outstisanding bonds of $ 21,627,000. The Company has received notices for conversion for bonds amounting to $ 14,777,000 which is pending, awaiting court order.

5. 3 **Deferred tax liability at the year end include:**

PARTICULARS	(Amount in ₹) March 31, 2011	September 30, 2010
Deferred tax liability		
Depreciation	12,751,723	12,465,446
(a) Total deferred tax liability	**12,751,723**	**12,465,446**
Deferred tax asset		
Provision for gratuity	474,173	83,044
(b) Total deferred tax asset	**474,173**	**83,044**
Deferred tax liability (net) (a - b)	**12,277,550**	**12,382,402**

5. 4 **Capital work-in progress:**
The Group is involved in the development / production of new motion pictures. This capital expenditure upon completion is classified as self generated intangible assets. The capital work in progress incurred till the year end is as follows:

(Amount in ₹)

PARTICULARS	Opening Balance	Closing Balance
Capital Work-in-Progress including Capital Advances.	**8,644,070,925**	**8,712,162,409**

Advances given as aforesaid are subject to confirmation and reconciliation.

5. 5 **Capital Commitments**
Estimated amounts of contracts remaining to be executed on capital account (for production) and not provided are ₹ 2,381,700,000 (Previous Period: 1,786,800,000).

5. 6 **Loans & Advances in the nature of loans pursuant to Clause 32 of the Listing Agreement**
Since these are consolidated financial statements, Loans & Advances in the nature of loans pursuant to Clause 32 of the Listing Agreement is not given in view elimination of intra group balances.

5. 7 In the opinion of the management, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of the business, and are subject to confirmation and reconciliation. The provision for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary. Unsecured loans, items of capital work-in-progress, and capital advances are subject to confirmation. According to the management, the amount standing in respective accounts of capital work-in-progress and capital advances are stated at cost.

5. 8 The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding:

(a) Amount due and outstanding to suppliers as at the end of the accounting year;
(b) Interest paid during the year;
(c) Interest payable at the end of the accounting year;
(d) Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the act. The management believes that figure for disclosure will not be significant.

5. 9 There is an outstanding amount of undisputed income-tax of an amount of ₹ 23.67 Million and tax deducted at source of an amount of ₹ 25.94 Million on the Balance Sheet Date for more than six months.

5. 10 **Foreign Currency exposures not covered by forward contracts:**

Particulars	Currency	March 31, 2011		September 30, 2010	
		Foreign Currency Amount	Indian Rupees Amount	Foreign Currency Amount	Indian Rupees Amount
Foreign currency convertible bonds (FCCB)	USD	21,627,000	965,645,550	21,627,000	971,484,840
Premium on FCCB	USD	3,475,793	155,194,159	2,887,016	129,684,774
Accrued interest on FCCB loan	USD	379,954	16,964,925	174,443	7,858,043
Bank balances	USD	2,872	128,247	243,837	10,953,166

5. 11 **Additional information as required by paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956**

5.14. Additional information as required by paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 is not given as these are consolidated financial statements.

5. 12 **Earnings per share ("EPS") is calculated as under:**

PARTICULARS	(Amount in ₹)	
BASIC EARNINGS PER SHARE		
Net Profit after taxation per profit and loss account	(271,432,677)	550,279,092
Weighted average number of shares outstanding for basic EPS	824,682,155	794,264,267
Basic earnings per share	**(0.33)**	**0.69**
DILUTED EARNINGS PER SHARE		
Net Profit after taxation per profit and loss account	(271,432,677)	550,279,092
Add/(Less): Interest and potential foreign exchange (gain)/loss on foreign currency convertible bonds("FCCB") (net of tax)	5,299,068	(50,620,112)
Adjusted net profit	**(266,133,609)**	**499,658,979**
Weighted average number of shares outstanding for the period	824,682,155	794,264,267
Add: Potential shares on conversion of FCCB including eligible bonus shares thereon	96,749,780	96,749,780
Adjusted weighted average number of shares outstanding for dilutive EPS	**921,431,935**	**891,014,047**
Dilutive EPS	**(0.29)**	**0.56**

5. 13 **Related party disclosure**

List of related parties other than where control exists with whom the Company has entered into transactions during the year	
Key management personnel (KMP)	Dhilin H. Mehta - Chairman and Managing Director
	Rupen Amlani - Whole time Director
	Hiren Gandhi - Whole time Director
	Dhaval Jatania – Whole time Director
Relatives of KMP	Preeti D. Mehta – Wife of Chairman and Managing
	Pankti H. Mehta – Sister of Chairman and Managing

Enterprise over which KMP have significant	Dahlia Traders Private Limited

During the year, following transactions were carried out with related parties in the ordinary course of business:

Transactions with enterprise over which KMP have significant influence	March 31, 2011	September 30, 2010
Rent paid	1,529,424	3,883,476
Compensation income	-	-
Deposit given for premises taken on operating lease	-	1,500,000
Realisations of sundry debtors	-	2,477,671
Refund of capital advances	-	41,000,000
Loans taken	803,256,877	584100000
Loans repaid	130,576,907	492215000
Balance outstanding as at year-end		
Sundry debtors	-	-
Deposits receivable	1,500,000	1,500,000
Advances receivable	-	-
Loans payable	764,564,970	45,000,000
Transactions with KMP and their relatives		
Remuneration		
- to Chairman and Managing Director	1,184,979	6,918,330
- to other Whole time Directors	1,874,070	4,138,208
Purchase of shares of from KMP	-	80
Purchase of shares of from relatives of KMP	-	80

Notes: Related party relationship have been identified by the management and relied upon by the auditors. During the period, some loan creditors, whom equity shares of the Company held by the Related parties were offerd as securities, liquidated the shares against loans granted to the Company. The amount recovered by the loan creditors is accordingly removed from their account and credited to the concerned related parties. The same are reflected in above statement as loans taken and given.

5. 14 Operating leases

The Company has no leased facilities under non-cancellable operating leases. The Company's office facilities are under cancellable operating lease agreements.

PARTICULARS	March 31, 2011	September 30, 2010
Total lease rent under cancellable operating leases	**1,571,424**	**7,711,105**

5. 15 Employee retirement and other benefits

The following are employee benefit plans applicable to the Company.

Defined Contribution Plan

PARTICULARS	March 31, 2011	September 30, 2010
Contribution to Provident Fund	**88,842**	**275,388**

Defined benefit plan

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the Balance sheet date, carried out by an independent actuary.

The following table sets forth the funded status of these plans of the Company and amounts recognised in Company's Balance Sheet as per AS 15 (revised) – 'Employees Benefits'.

PARTICULARS	March 31, 2011	September 30, 2010
Present value of the defined benefit obligation at the end of the year	**1,461,466**	1,422,914
Fair value of the plan assets	**0**	0
Net liability	**1,461,466**	**1,422,914**

The amount recognised in other income and salary and other benefits in the profit & loss account as follows in respect of the gratuity.

PARTICULARS	March 31, 2011	September 30, 2010
Current service cost	170,915	206,149
Interest on defined benefit obligation	87,280	57,367
Expected return on plan assets	0	0
Net actuarial (gain)/loss on plan assets	(186,826)	321,440
Vested Benefit	(32,817)	344,475
Net Gratuity Cost	38,552	929,431

Reconciliation of present value of the obligation and the fair value of the plan assets

PARTICULARS	March 31, 2011	September 30, 2010
Opening Defined Benefit Cost	1,422,914	493,483
Current service cost	170,915	206,149
Interest Cost	87,280	57,367
Past Service Cost	(32,817)	344,475
Actuarial (gain)/loss	(186,826)	321,440
Benefit paid		
Net Gratuity Cost	1,461,466	1,422,914

Principal actuarial assumptions at the balance sheet date March 31, 2011

PARTICULARS	March 31, 2011	September 30, 2010
Discount rate	8.25%	8.00%
Salary escalation	5.00%	5.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

5. 17 Segment information:

(a) Primary segment:

The Company has disclosed Business Segment as the primary segment.

Particulars	Film production & distribution		Film distribution		Others		Total	
	31/3/2011	30/9/2010	31/3/2011	30/9/2010	31/3/2011	30/9/2010	31/3/2011	30/9/2010
Segment revenue								
Sales to external customers	820,556,920	3,477,389,538	421,000,479	33,914	-	343,898,980	1,241,557,399	3,821,302,432
Inter segment revenue	-	-	-	-	-	-	-	-
Total segment revenue	**820,556,920**	**3,477,389,538**	**421,000,479**	**33,914**	**-**	**343,898,980**	**1,241,557,399**	**3,821,302,432**
Segment result	**(256,428,556)**	**3,038,585,288**	**78,871,039**	**(24,966,086)**	**(1,100,000)**	**343,898,980**	**(177,655,517)**	**3,358,518,160**
Unallocated corporate incom	-	-	-	-	-		1,686,381	25,245,777
Unallocated corporate expen	-	-	-	-	-		(57,278,858)	(2,303,957,363)
Interest and financial expens	-	-	-	-	-		(89,793,451)	(340,838,003)
Profit before taxation	**(256,428,556)**	**3,038,585,288**	**78,871,039**	**(24,966,086)**	**(1,100,000)**	**343,898,980**	**(323,061,485)**	**738,968,572**
Income taxes							(52,080,000)	190,600,000
Deferred tax liabilities							(104,852)	4,069,100
Tax Adjustment for Earlier Ye							471,064	(5,979,620)
Wealth tax							85,000	-
Profit after tax	**(256,428,556)**	**3,038,585,288**	**78,871,039**	**(24,966,086)**	**(1,100,000)**	**-**	**(271,432,877)**	**550,279,092**
Segment assets	8,856,162,710	9,047,724,367	38,015,015	38,417,410			8,894,177,724	9,086,141,777
Unallocated assets	-	-	-	-	-		684,376,251	634,946,359
Total assets	**8,856,162,710**	**9,047,724,367**	**38,015,015**	**38,417,410**	**-**	**-**	**9,578,553,975**	**9,721,088,136**
Segment liabilities	778,574,185	2,524,732,628	855,075,791	2,456,709	-		1,633,649,976	2,527,189,337
Unallocated liabilities	-	-	-	-	-		3,045,231,585	2,072,776,361
Total liabilities	**778,574,185**	**2,524,732,628**	**855,075,791**	**2,456,709**	**-**	**-**	**4,678,881,562**	**4,599,965,698**
Cost incurred to acquire							-	-
Segment assets	**407,500,000**	**2,102,749,129**	**75,400,000**	**-**	**-**		**482,900,000**	**2,102,749,129**
Unallocated assets							**528,115**	**19,558,640**

Amortisation/depreciation							-	-
Segment assets	407,500,000	2,102,749,129	303,300,000	-	-		710,800,000	2,102,749,129
Unallocated depreciation							2,538,630	27,437,155

The business of the Company is divided into three segments – Film production & distribution, Film distribution and other These segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

Film production & distribution, represents share of net income from movies produced/co-produced or in which the Company has invested, and content production and distributed or sold by the Company. Films distribution operation represents acquisition of movie rights for overseas as well as Indian distribution for a fixed period and exploitation thereof. These rights generally include as a package, theatrical rights and video and television rights. Others represent realization from sale of items mainly used production materials such as production sets, costumes and other inventories.

Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

5. 17 **Disclosure of Provisions as required by AS-29 is as under:**

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount	Closing Balance
	₹	₹	₹	₹
Income Tax	158,997,158	65,120,000	23,397,158	200,720,000

5. 18 Figures pertaining to the subsidiary companies hav e been reclassified whereever necessary to bring in line with the company's financial statement.

5. 19 Figures of previous year have been regrouped / rearranged wherever considered necessary.

5. 20 **Notes of Shree Ashtavinayak Cine Vision FZE**

P.O. Box 54792, Dubai Airport Free Zone, Dubai - United Arab Emirates

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES

Period Ended: March 31, 2011

1 Legal Status, Business Activities and Management

(a) **Legal Status**

Shree Ashtavinayak Cine Vision FZE is registered as a Free Zone Company in accordance with implementing Regulation No.1 of 2000 pursuant to Dubai local law No. (2) of 1996 and its amendment No. (2) of 2000, and the provision of the UAE Federal Law No. (8) of 1984 regarding Commercial Companies and its amendments and decisions made.

The Dubai Airport Free Zone Authority has issued the Certificate of Formation with Registration No. DAFZ-0410, dated January 13, 2008 and Trading Licence No. 1468 dated January 13, 2008.

The registered office of the company is located at Suit No.105, Building 5EA, Dubai Airport Free Zone, Dubai, U.A.E.

(b) **Business Activities**

The principal activity of the company is production, distribution and trading in film.

(c) **Management**

The company is managed by Mr. Harshad Kanaiyalal Mehta, director of the company as per the board resolution dated February 11, 2008.

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(a) **Statement of Compliance**

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) **Basis of Measurement**

The interim financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss are measured at fair value.

(c) Functional and Presentation Currency

The interim financial statements are presented in UAE Dirhams, which is the company's functional currency. All financial information presented in UAE Dirhams has been rounded to the nearest Dirhams.

(d) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRSs required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

During the year, there are no estimates or judgments that are critical in nature.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these interim financial statements, and have been applied consistently by Company.

(a) Foreign Currency

Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of the company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was
₹ Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available for sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial Instruments

(i) Non Derivative Financial assets

The company initially recognises loans and receivable and deposits on the date that they are originated.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and when only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial assets:

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of six months or less from the date of deposit.

(ii) **Non - Derivative**

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

The company has the following non-derivative financial liabilities; loan from shareholders, Accurals and provisions.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method

(c) **Property, Plant and Equipment**

(i) **Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) **Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) **Depreciation**

Depreciation on property, plant and equipment has been computed on straight-line method at the annual rates estimated to write off the cost of the assets over their expected useful lives as under:

Leasehold warehouse building -
Vehicles -
Furniture fixture and office equipme -

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) **Inventories**

(i) Inventories have been valued at lower of cost and net realisable value. Cost is determined by using weighted average cost method and includes all direct costs incurred in bringing the inventories to their present location and condition.

(ii) Net realisable value is estimate of selling price in the ordinary course of the business less the selling expense

(iii) Provision is made for slow moving items of inventories based on their ageing report and assessment of net realisable value.

(c) **Impairment**

(i) **Financial Assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the company on terms that the company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in a equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables similar risk

In assessing collective impairment the company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) **Non Financial Assets**

The carrying amounts of the company's non-financial assets other than inventories is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

(d) **Revenue Recognition**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is

(e) **Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of six months or less from the date of deposit.

(f) **Finance Income and finance costs**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss on the date that the company's right to receive payment is established.

Finance costs comprise interest expense on borrowings and current account credit balances. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on net basis.

(g) **Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

A provision is made for the estimated liability for staff terminal benefits as a result of services rendered by employees up to the balance sheet date.

(j) **Employee entitlements**

A provision is made for the estimated liability for staff terminal benefits as a result of services rendered by employees up to the date of statement of financial position as per the implementing rules regulating employment relationship. Provision made for employee terminal benefits are disclosed as non-current liabilities.

4 **Determination of Fair Values**

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purpose based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) **Property, Plant and Equipment**

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of fixtures and fittings, computer and vehicles is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when

(ii) **Trade and Other Receivables**

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

5 **Financial Risk Management Overview**

The company has exposure to the following risks from its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk
Operational Risk

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investment securities.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the demographics of the customer base including the default risk of the industry and country in which customer operates. Credit policy and benchmark creditworthiness established by the management is reviewed at frequent intervals.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The company has a commitment from its parent company of a continuous support in terms of cash flow management.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

* requirements for appropriate segregation of duties, including the independent authorization of
* requirements for reconciliation and monitoring of transactions.
* compliance with regulatory and other legal requirements.
* documentation of controls and procedures.
* requirements for the periodic assessment of operational risks faced, and the adequacy of controls and
* requirements for the reporting of operational losses and proposed remedial action.
* development of contingency plans.
* training and professional development.
* ethical and business standards.
* risk mitigation, including insurance where this is effective.

6	**Capital Advances**	**March 31, 2011**	**September 30, 2010**
	Capital Advances	4,400,439,482	4,295,705,991
		4,400,439,482	4,295,705,991

Note: It represents advance amount paid for acquiring copy right from various parties for using the replication rights of motion pictures which are yet to be released. (Refer note 9)

7	**Cash and Bank Equivalents**	**March 31, 2011**	**September 30, 2010**
	Cash in hand	160702	158,917
	Balances with Bank in :		
	Current Account	112022	56,800,675
		272,724	56,959,592

8	**Capital Commitments**	**March 31, 2011**	**September 30, 2010**
	Contract Value	9,073,487,800	8,964,782,400
	Payments made	4,400,439,482	4,295,705,991
	Net Commitments	13,473,927,282	13,260,488,391

It represents amount paid for acquiring copy right from various parties for using the replication rights of motion pictures which are yet to be released.(Refer note 6).

9 Related Party Transactions

Related parties represent shareholders, directors and key management personnel of the company and companies of which they are principal owners.
The summaries of transactions entered into during the year and balances with related parties as at March 31. 2011 are as follows:

	31-3-2011	30-9-2010
Salary to manager	558,806	840,602
	558,806	840,602

10 Financial Instruments
In accordance with the International Accounting Standards 32, regarding financial instruments the following disclosure are made.

Financial instruments means financial assets, financial liabilities and equity instruments.

Financial assets include bank current accounts, deposits and advances. Financial liabilities include loan from shareholder, provisions and accruals.

(a) **Fair Values**
The fair value of the company's financial assets and liabilities approximate their carrying values.

(b) **Credit Risk, Interest Rate Risk, Exchange Rate Risk Exposure, Market Risk and Liquidity Risk**

(i) **Credit Risk**
Financial assets which potentially expose the company to credit risk comprises principally of capial advances.

The bank current accounts are placed with high credit quality financial institutions.

(ii) **Interest Rate Risk**
Interest on shareholders' current/loan accounts is charged at 8.5% per annum.

(iii) **Exchange Rate Risks**
There is no exchange rate risk as substantially all the transactions are denominated in US Dollars or U.S. Dollars to which the U.A.E. Dirham is fixed.

(iv) **Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The company does not face market risk due to interest rate, credit spread and currency movements.

(v) **Liquidity Risk**
The following are the contractual maturities of material financial liabilities.

All figures are expressed in UAE Dhirams
As on 31.3.2011

	Carrying Amount	Contractual Cash Fl	6 months or less	Above 6 months
Non-Derivative				
Accruals and provisions	80,351	80,351	80,351	
Derivative financial liabilities		-	-	-
Total financial liabilities	80,351	80,351	80,351	0

As on 30.09.2010

	Carrying Amount	Contractual Cash Fl	6 months or less	Above 6 months
Non-Derivative financial liabilities				
Accruals and provisions	91,683	91,683	91,683	-
Derivative financial liabilities		-	-	-
Total financial liabilities	91,683	91,683	91,683	0

11 **Significant Events occurring after the date of financial position**

There were no significant events occurring after the date of financial position, which require disclosure in the financial statements.

	FOR AND ON BEHALF OF THE BOARD OF
FOR SHAH, SHAH & SHAH	
CHARTERED ACCOUNTANTS	Dhilin Mehta
	CHAIRMAN & MANAGING DIRECTOR
(Mehul Shah)	
PARTNER	Rupen Amlani Dhaval Jatania Hiren Gandhi
Firm RegN. No 116457W	**WHOLE TIME DIRECTORS**
Membership N‹ 49361	
Mumbai: May 27, 2011	A. H. Andhare
	CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Consolidated Cash Flow Statement for the period ended March 31, 2011

(Amount in ₹)

	Period ended 31/03/2011	Period ended 30/09/2010
A. Cash flow from operating activities		
Profit before taxation	(323,061,465)	738,968,571
Adjustment for:		
Depreciation and amortisation	412,517,836	2,117,294,584
Interest and other finance costs	265,232,984	340,838,003
Interest income	(171,791,649)	(3,587,390)
Sundry balances written back	(1,536,575)	(20,569,189)
Rent income	-	-
Loss on sale of fixed assets	-	181,556
Unrealised loss on exchange difference (net)	20,619,328	109,288,844
Provision for doubtful debts	-	8,151,990
Sundry advances written off	-	6,017,198
Provision for gratuity	254,215	713,768
Operating profit before working capital changes	202,234,675	3,297,297,935
Adjustment for:		
Sundry debtors	180,380,478	12,143,674
Other Current Assets	219,552,000	-
Loans and advances	(209,180,455)	(108,963,156)
Current liabilities	(21,047,794)	578,349,403
Net cash generated from operating activities	371,938,904	3,778,827,856
Taxes paid	(31,279,535)	(103,882,677)
Net cash flow from operating activities	340,659,369	3,674,945,179
B. Cash flow from investing activities		
Purchase of fixed assets and change in capital work in progress *	(465,039,334)	(19,556,640)
Advances for purchase of film rights (Production)	(199,000,000)	(6,427,890,757)
Advances for purchase of film distribution rights	-	-
Proceeds from sale of fixed assets	-	7,000,000
Investment in subsidiaries	-	(240)
Loan to subsidiary	(46,576,000)	-
Rent income	-	-
Interest received	129,786	3,598,610
Net cash used in investing activities	(710,485,548)	(6,436,849,027)
C. Cash flow from financing activities		
Dividend paid (including tax thereon)	(19,296,739)	(14,711,603)
Proceeds from Share Application Money - Pending Allotment	200,000,000	
Proceeds from issue of shares	1,088,457,493	3,369,598,526
Proceeds from borrowings	(1,008,923,107)	1,269,472,515
Repayment of borrowings	(217,064,304)	(1,108,758,943)
Interest paid	-	(358,380,961)
Expenses on issue of shares charged to securities premium	-	(2,574,850)
Net cash flow from financing activities	43,173,343	3,154,644,684
Net increase/(decrease) in cash & cash equivalents	(326,652,836)	392,740,836
Exchange impact on cash and cash equivalents	(2,526,007)	(58,914,097)
Cash and cash equivalents at the beginning of the year	401,083,822	67,257,082
Cash and cash equivalents at the year end	71,904,979	401,083,822

* The cost of films produced & distribution rights acquired are treated as fixed assets & accordingly amortisatised. The revenue collections there against are reflected in cash flow from operating activities.

FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dhilin Mehta
CHAIRMAN & MANAGING DIRECTOR

(Mehul Shah)
PARTNER
Firm Regn. No: 116457W
Membership No.: 49361
Mumbai: May 27, 2011

Rupen Amlani   Dhaval Jatania   Hiren Gandhi
WHOLE TIME DIRECTORS

A. H. Andhare
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	Registration Details	Registration No.: 133759	State Code: 11
	Balance Sheet Date	Date: 31, Month: 3	Year: 2011
II	Capital Raised during the Year (Amount in Rs. Thousands)	Public Issue: NIL	Right Issue: NIL
		Bonus Issue: NIL	Private Placement: NIL
III	Position of Mobilisation & Development of Funds (Amount in Rs. Thousand)	Total Liabilities: 9307817	Total Assets: 9307817
	Sources of Funds	Paid-up Capital: 824682	Reserves & Surplus: 4122274
		Secured Loans: 1159009	Unsecured Loans: 1935691
	Application of Funds	Net Fixed Assets*: 4503605	Investment: 14502
		Net Current Assets**: 3523548	Misc. Expenditure: NIL
IV	erformance of Company (Amount in Rs. Thousands)	Turnover: 820557	Total Expenditure: 1127951
		Profit Before Tax: (134066)	Profit After Tax: (87137)
		Earning Per Share (Basic): (0.11)	Dividend Rate%: NIL
V	Generic Names of Principle Product/Services of the Company (as per monetary Term)	Product Description: Film Production & Distribution	Item Code No.(ITC Code): NA

* Including Capital Work-in-Progress

** Net off Deferred Tax Liability

Statement Pursuant to Section 212 of the Companies Act, 1956.

List of the subsidiaries :-

Sr. No.	Name of the Company	Short Name
1	Shree Ashtavinayak Dream Pictures Limited.	SADPL
2	Shree Ashtavinayak LFS Infra Limited.(Formerely Known as Shree Ashtavinayak Angel Media Ltd.)	SALIL
3	Shree Ashtavinayak Passion Movies Limited.	SAPML
4	Shree Ashtavinayak Light Cameraaction Limited.	SALCL
5	Shree Ashtavinayak Cine Vision FZE	FZE

(Amount in Rs.)

		SADPL		SALIL		SAPML		SALCL		FZE	
	The Financial Year of the Company Ends on	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11
a.	Capital										
	Authorised (Equity Shares of Rs. 10/- each)	50000000	50000000	50000000	50000000	50000000	50000000	50000000	50000000	10701300	10701300
	Paid up	500000	500000	500000	500000	500000	500000	500000	500000	10701300	10701300
b.	Reserves	NIL	NIL	NIL	NIL	NIL	NIL	NIL	9985689	(22018125)	(128675468)
c.	Total Assets	10869	44786	11145	10036925	11145	141482	11145	251831270	1542325959	4401948376
d.	Total Liabilities	13709	5515	13709	6632	13709	5515	13695	133319581	1555540943	4522318426
e.	Details of Investment (except in case of investment in the subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f.	Turnover	NIL	NIL	NIL	NIL	NIL	NIL	NIL	478500000	218898980	171458125
g.	Profit/(Loss) Before Taxation (PBT)	(8345)	(10268)	(8069)	(19529)	(8069)	(13855)	(8055)	15785860	94122946	(108272075)
h.	Provision for Taxation	NIL	NIL	NIL	NIL	NIL	NIL	NIL	5300000	NIL	NIL
i.	Profit/(Loss) After Taxation (PAT)	(8345)	(10268)	(8069)	(19529)	(8069)	(13855)	(8055)	10485860	94122946	(108272075)
j.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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SHREE ASHTAVINAYAK CINE VISION LIMITED
Regd. Office: A-204, VIP-Plaza, 2nd Floor, Off. Andheri Malad Link Road, Andheri (W), Mumbai-400 053

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder may obtain additional slip on request.

D.P. Id*		Folio No.	
Client Id*		No. of Share/(s) held	

NAME OF THE SHAREHOLDER:	NAME OF THE PROXY:

I hereby record my presence at 10th ANNUAL GENERAL MEETING of the Company held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29.09.2011 at 9.30 A.M.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

SHREE ASHTAVINAYAK CINE VISION LIMITED
Regd. Office: A-204, VIP-Plaza, 2nd Floor, Off. Andheri Malad Link Road, Andheri (W), Mumbai-400 053

PROXY FORM

D.P. Id *		Folio No.	
Client Id *		No. of Share/(s) held	

I/We ……………………………………………………… of ………………… in the district of ………………………….. being a Member/Members of the above-named company, hereby appoint ……………………….. of …………………… in the district of ……………………… or failing him ……………………….. of …………………… in the district of ………………………… as my/our Proxy to attend and vote for me/us and on my/our behalf at the 10th ANNUAL GENERAL MEETING of the Company to be held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29.09.2011 at 9.30 A.M. and at any adjournment thereof.

Signed this … …. ……. …. day of …. … .. .. . . … 2011

Affix 15 Paise or more Revenue Stamp

*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK POST

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A/204-205, VIP Plaza, 2nd Floor,
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