



25th Annual Report 2013 - 2014

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MIDVALLEY ENTERTAINMENT LIMITED

9TH Floor, Gee Gee Emerald,

312, Valluvarkottam High Road

Nungambakkam, Chennai – 600 034, India.

Tel: + 91-44-28211119

Fax: +91-44-28212829

Website: www.mvel.in

CIN No. L85110TN1989PLC062297

MIDVALLEY ENTERTAINMENT LIMITED
CORPORATE INFORMATION

Datuk K.Keetheeswaran
Non – Executive Chairman

: REGISTERED OFFICE:
9TH Floor, Gee Gee Emerald,
312, Valluvarkottam High Road
Nungambakkam, Chennai – 600 034.
Tel: + 91-44-28211119
Fax: +91-44-28212829
Website: www.mvel.in

Kamalnayan Harakchand
Whole Time Director

: STATUTORY AUDITORS
Venkatesh & Co.,
Chartered Accountant
“Sri Ranga”
151, Mambalam High Road
T.Nagar, Chennai – 600 017.
Tel: +91-44-28144763/64/65/66
Email: venkateshandco@gmail.com

Mrs.Lalitha
Director

: BANKERS:
Lakshmi Vilas Bank
Nungambakkam,
Chennai – 600 034.

MIDVALLEY ENTERTAINMENT LIMITED

CIN: L85110TN1989PLC062297

Regd. Office: 9TH FLOOR, G G EMERALD, 312, VKH ROAD, NUGAMBAKKAM, CHENNAI – 600034

NOTICE is hereby given that the 25th Annual General Meeting of Midvalley Entertainment Limited will be held at ASHA NIVAS No. 9, Rutland Gate 5th Street, Chennai-600 006 on Monday, the 22nd September 2014 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1-To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2014, the Balance sheet as on that date and the reports of the Auditors and Directors thereon.

2-To appoint a Director in the place of Mr.Ketheeswaran Murugesu Kanagaratnam (holding DIN 01410448) who retires by rotation and being eligible offers himself for re-appointment.

3. To reappoint M/s. Venkatesh & Co, Chartered Accountants (Firm Regn. No. 004636S), as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 26th consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, and pursuant to the recommendations of the audit committee & the Board of Directors, M/s. Venkatesh & Co, Chartered Accountants (Firm Regn. No. 004636S) be and is hereby appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of 2th consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Kamalnayan Harakchand (holding DIN 01972938), Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office up to March 31, 2019, not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mrs.Ganapathy Lalitha (holding DIN 06801777), Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an independent Director of the Company to hold office up to March 31, 2019, not liable to retire by rotation.”

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

“RESOLVED that subject to the provisions of Section 196,197, 203 and any other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification thereof for the time being in force) read with Schedule V to the Companies Act 2013, approval of the company be and is hereby accorded to the appointment of Mr.Kamalnayan Harakchand as Whole Time Director of the Company for a period of five years from 31.03.2014 without any remuneration .

FURTHER RESOLVED that the board of directors of the company be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution.

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

Resolved that pursuant to the provisions of section 204 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under M/s Lakshmmi Subramanian & Associates, Practising Company Secretaries, having office at “ Murugesu Naicker Complex, No.81, Greams Road, Chennai – 600006” be and is hereby appointed as secretarial Auditors of the company in order to furnish Secretarial Audit Report on and from the financial year ending 31.3.2015 as required under the provisions of said section on a remuneration to be fixed by the Board of Directors.”

8. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

By the Order of the Board of Directors
For Midvalley Entertainment Limited

Place: Chennai
Date: 14.08.2014

(Sd/-)
DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority should however be deposited at the Registered Office of the Company not later than forty-eight hours before the time fixed for holding the meeting.
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 settling out material facts in respect of the special businesses of this notice is annexed hereto.
3. The Register of Members and the Share Transfer books of the company will remain closed from 19th September 2014 to 22nd September 2014
4. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of Annual Report to the meeting.
6. Pursuant to the provisions of Section 72 of the Companies Act 2013, Shareholders are entitled to make nomination in respect of the shares held by them in physical form. Share holders desirous of making nomination are requested to send their requests in Form SH 13 duly filled in and signed by them to the Registrars and Transfer Agents M/s Cameo Corporate Services Limited, Chennai – 600 002 and to the Depository Participants in case the shares are held in electronic form.
7. All documents referred to it in the accompanying Notice are available for inspection by the members at the registered office of the company on all working days between 11.00am and 01.00pm prior to the date of the Meeting

By the Order of the Board of Directors
For Midvalley Entertainment Limited

Place: Chennai
Date: 14.08.2014

(Sd/-)
DIRECTOR

EXPLANATORY STATEMENT PRUSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Kamalnayan Harakchand is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 01.07.2011. He is also a member of the Audit Committee of the company.

He holds the position of director in the following companies

S.No	Name of the Company	Designation
1	Meenu Hometec Limited	Director
2	Dolaries Financial Services Limited	Director
3	V2k Build Tech Private Limited	Director

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Kamalnayan Harakchand, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mr. Kamalnayan Harakchand as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Mr. Kamalnayan Harakchand fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kamalnayan Harakchand as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kamalnayan Harakchand as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kamalnayan Harakchand, as an Independent Director, for the approval by the shareholders of the Company.

Except Mr.Kamalnayan Harakchand, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.5

Mrs. Ganapathy Lalitha joined the Board of Directors of the Company in 31.03.2014 as an additional director.

She holds the position of director in the following companies

S.No	Name of the Company	Designation
1	Meenu Hometec Limited	Director

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Ganapathy Lalitha, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 and shall not be liable to retire by rotation. A notice has been received from a member proposing Mrs. Ganapathy Lalitha as a candidate for the office of Director of the Company along with the Refundable Deposit of Rs.1,00,000/-.

Based on the declaration received from the appointee director and in the opinion of the Board, Mrs. Ganapathy Lalitha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Ganapathy Lalitha as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Ganapathy Lalitha as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Ganapathy Lalitha, as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Ganapathy Lalitha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Kamalnayan Harakchand is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 01.07.2011. Thereafter he was appointed as the Whole Time Director w.e.f.31.03.2014. He is also a member of the Audit Committee of the company. He holds the position of director in the following companies

S.No	Name of the Company	Designation
1	Meenu Hometec Limited	Director
2	Dolaries Financial Services Limited	Director
3	V2k Build Tech Private Limited	Director

Mr. Kamalnayan Harakchand aged about 43 years is basically a film producer and distributor and has wide experience in media and entertainment industry. He has so far distributed 29 films in Tamil and jointly with other production houses, produced films in Tamil.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kamalnayan Harakchand as Whole Time Director. Accordingly and in view of section 196, 197, 203 and any other applicable provisions of the Companies Act 2013 the Board recommends the resolution in relation to appointment of Mr. Kamalnayan Harakchand, as Whole Time Director , for the approval by the shareholders of the Company.

Except Mr.Kamalnayan Harakchand, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.7

As per the provision of the Companies Act 2013, a practicing Company Secretary is to be appointed as the Secretarial Auditor w.e.f.01.04.2014. In order to comply with the mandatory provision, the board of directors has recommended to appoint M/s Lakshmmi Subramanian & Associates, Practicing Company Secretaries as the secretarial auditor for the financial year 2014-2015 as set out the resolution in itemNo.7

None of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise in the resolution set out at item no7.

Item No.8

The existing Articles of Association (AoA) of the Company is based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 ("The Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal (“Tribunal”) such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The proposed new draft AoA is would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Directors

Place: Chennai
Date:14.08.2014

By the Order of the Board of

For Midvalley Entertainment Limited

(Sd/-)
Director

DIRECTORS REPORT

TO ALL MEMBERS

Your Directors present the Twenty Fifth Annual Report of the Company along with the Audited statement of accounts for the year ended 31st March 2014

1-FINANCIAL RESULTS

The highlights of the financial results of the company for the year ended 31.03.2014 compared with the previous year are given below:-

[Rs. in lakhs]

PARTICULARS	AS ON 31.3.2014	AS ON 30.04.2013
Total Income	0.24	.038
Profit/(Loss) before Taxation	(692.55)	(713.72)
Less:Provision for Taxation	0.00	0.00
Add/ (Less):Provision for deferred taxation	79.24	122.99
Less:Income Tax of earlier year	0.00	0.00
Net profit/(Loss) after tax	(613.31)	(590.73)
Add: Profit brought forward	(882.14)	(291.41)
Amount available for appropriation	0.00	0.00
Balance carried forward	(1495.45)	(882.14)

The profit /(Loss) before tax (PBT) for the year was Rs.(692.55) Lakhs as compared to the previous year figure of Rs.(713.72) Lakhs. The net profit/ (Loss) after tax for the year was Rs.(613.31) Lakhs compared to Rs. (590.73) Lakhs last year.

2-DIVIDEND

In view of losses, the Directors regret their inability to recommend any dividend for the year under consideration

3-DIRECTORS

During the year under review Mr.S.Yuvaraj, Director resigned from the office of Directorship due to his pre commitments w.e.f.31.03.2014. Mr. K.Murugavel , Director resigned from the post of Whole-time Director w.e.f.31.03.2014 and resigned from the office of Directorship w.e.f.29.05.2014 due to his pre-commitments

Mr.Kamalnayan Harakchand, Director of the company was appointed as the Whole Time Director w.e.f.31.03.2014 without any remuneration subject to the approval of members

Mrs. G. Lalitha was appointed as an additional director of the company by the Board of Directors in their meeting held on 31.03.2014.

4-PUBLIC DEPOSITS

During the year your company has not received any deposits nor renewed any deposit from the public

5-FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under review the Company has not booked overseas revenue or incurred any expenditure

6-PARTICULARS PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956

The particulars required to be given in terms of section 217(1)(e) of the Companies Act,1956 regarding conversion of energy, technology absorption are not applicable to your company

None of the employees of your company fall under section 217(2A)

7- QUALITY MANAGEMENT SYSTEM

The Company continues to lay emphasis on excellence in quality and services and is committed to total customer satisfaction

8-DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm

A) that in the preparation of Annual Accounts, the applicable accounting standards have been followed and no material departures have been made

B) that they 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 of the Company for the year under review.

C) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud & other irregularities

D) the annual accounts have been prepared on a going concern basis

9- CORPORATE GOVERNANCE

Your company will always strive to incorporate appropriate standards for good corporate governance

10- AUDITORS

M/s.Venkatesh & Co, Chartered Accountants, Statutory auditors of the Company retire on the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment

11- REPLY TO AUDITORS' QUALIFICATION / OBSERVATION

- 1) Fixed Asset register is being updated.
- 2) The company is making effort is clear the dispute with income tax department
- 3) The trade receivable are negligible and however company is making effort to recover the same
- 4) The company due to recessionary trends on the industry in south India has not transacted business for last year. However the company has drawn up plans for the technical expansion and distribution business in the current year.
- 6) The company IT return will being filed.

12- PERFORMANCE OF THE COMPANY

During the year the company made a loss of Rs.613.31 lakh. The company is exploring and expansion opportunities and directors feel in the coming years. The company will perform and achieve a standing in the media & entertainment industry.

13- SUSPENSION OF TRADING

Trading was suspended in Bombay Exchange Limited w.e.f. 7th July, 2012. Efforts are being made to revoke the suspension of trading

14- ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the contribution made by the employees at all levels enabling the Company to achieve the performance under review.

Your Directors also appreciate the valuable co-operation and continued support extended by the Company's Bankers, Distributors and various Government authorities for their trust and confidence in the Management of the Company. Finally your Directors are deeply grateful to the members for their continued confidence & faith in the management of the Company

For and on behalf of the Board,
Midvalley Entertainment Limited

(Sd/-)
Director

(Sd/-)
Director

Place:-Chennai

Date:-29.05.2014

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The Entertainment Industry is one of the fastest growing sectors in the Country at an 18% compound annual growth over the past decade. The Media and entertainment industry offers secular growth from revenue opportunities in several areas such as advertising, subscription, TV Content providers, movie and music. Spending on entertainment is one of the largest components of discretionary household expenditure in most developed markets.

The Entertainment industry has always been successful in drawing masses from the days of Roman Gladiators to present day movies. Given the inevitable convergence between entertainment and telecommunication the potential of the industry is unlimited. From the capital market to the corridors of power is a buzz about entertainment. Entertainment has perhaps come to be regarded as the fourth basic need of mankind after food, clothing and shelter.

The industry is projected to grow at a Compounded Annual Growth Rate (CAGR) at 14 percent to reach INR 1275 billion by 2015 as tabulated below says the FICCI – KPMG report

Overall Industry Size (INR Bn)	2007	2008	2009	2010	CAGR (2007-10)	2011P	2012P	2013P	2014P	2015P	CAGR 201-15
Television	211	241	257	297	12%	341	399	455	533	630	16%
Print	160	172	175	193	6%	211	231	254	280	310	10%
Film	93	104	89	83	-3%	91	98	109	120	132	10%
Radio	7	8	8	10	11%	12	15	18	21	25	20%
Music	7	7	8	9	5%	9	11	13	16	19	17%
Out of Home	14	16	14	17	6%	19	22	24	27	30	12%
Animation & VFX	14	17	20	24	18%	28	33	40	47	56	19%
Gaming	4	7	8	10	32%	13	17	23	31	38	31%
Digital Advertising	4	6	8	10	39%	13	18	22	28	36	28%

COMPANY OVERVIEW

The company has tied up with Indian agent for acquiring content and screening rights for films at Domestic & International levels

a) Exhibition - Theatres

Previously we are operating Theatres in South Indian Region (Tamilnadu, Andhra & Karnataka). But we felt after sometime that the leasing of theatres is not a profitable venture, as average occupancy rate is only 15% and maintenance cost will be more

We strived our best and with the experience, we are trying to seek other alternatives and we are working out future business plans

We are doing our best to achieve the targets

b) Distribution

In the distribution sector we are trying to look out for the best content for Distribution at our theatres. We have accumulated to our library a good numbers of content which will be useful and handy for us when there is shortage in the local market

Infrastructure

The Company has necessary infrastructure to carry out any operations under “Media & Entertainment “

Operations

Your company’s turnover & other income during the year was Rs. 0.24 lakh as against Rs.0.038 lakh in the previous year. The Company made a loss of Rs...-613.31 as against Rs. -590.73 in the previous year.

Financial at a Glance

Paid up capital of the company is Rs.3422.46 lakhs and the reserves & surplus amount to Rs.4620.56 lakhs

Loss before taxation for the year amounted to Rs. -692.55 compared to Rs.-713.72 last year. Loss after taxation for the year was Rs. -613.31 compared to Rs. -590.73 last year

ANALYSIS – MEDIA & ENTERTAINMENT INDUSTRY

STRENGTHS

1-Media and Entertainment is one of the most booming sectors in India due to its vast customer reach. The various segments of the Media and Entertainment industry like television and film industry have a large customer base.

2-The growing middle class with higher disposable income has become the strength of the Media and Entertainment Industry

3-Change in the lifestyle and spending patterns of the Indian masses on entertainment

4-Technological innovations like online distribution channels, web-stores, multi- and mega plexes are complementing the ongoing revolution and the growth of the sector

5-Indian film industry is second largest in the world and the largest in terms of the film produced and tickets sold.

6-The low cost of production and high revenues ensure a good return on investment for Indian Media and Entertainment industry.

WEAKNESSES

1- The Media & Entertainment sector in India is highly fragmented

2- Lack of cohesive production & distribution infrastructure, especially in the case of music industry

3- The lack of efforts for media penetration in lower socio-economic classes, where the media penetration is low

OPPORTUNITIES

1-The concept of crossover movies has helped open up new doors to the crossover audience and offers immense potential for development

2- The increasing interest of the global investors in the sector

3- The media penetration is poor among the poorer sections of the society, offering opportunities for expansion in the area

4-The nascent stage of the new distribution channels offers an opportunity for development

5- Rapid de-regulation in the Industry

6- Rise in the viewership and the advertising expenditure

7- Technological innovations like animations, multiplexes etc and new distribution channels like mobiles and internet have opened up the doors of new opportunities in the sector

THREATS

1-Piracy, violation of intellectual property rights poses a major treat to the Media & Entertainment Companies

2-Lack of quality content has emerged as a major concern because of the 'quick-buck' route being followed in the industry

3-With technological innovations taking place so rapidly, the media sector is facing considerable uncertainty about success in the marketplace.

INTERNAL CONTROLS AND THEIR ADEQUACY

The company has customized accounting packages and also has well established system in place at various levels to check and control expenses

FINANCIAL PERFORMANCE OF LAST THREE YEARS AT A GLANCE

Particulars	2013-14	2012-2013	2011-2012
Turnover	0.24	.038	585.83
Profit Before Interest, Finance Charges and Depreciation and after unrecoverable bad debts	(61.57)	(56.63)	(1873.26)
Interest and Finance charges	0.08	.11	.25
Profit before Depreciation	(61.65)	(56.74)	(1873.51)
Depreciation	630.90	656.98	579.34
Profit /(Loss) before tax	(692.55)	(713.72)	(2452.85)
Provision for income tax	0.00	0.00	0.00
Deferred Tax	(79.24)	(122.99)	260.52
Profit / (Loss) after tax	(613.31)	(590.73)	(2192.34)
Extraordinary Items	0.00	0.00	0.00
Provision for unrecoverable and doubtful debts	0.00	0.00	0.00
Net Profit/ (Loss)	(613.31)	(590.73)	(2192.34)

REPORT ON CORPORATE ON CORPORATE GOVERNANCE

INTRODUCTION

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance is the mechanism by which the principles, values, philosophy and practices of a company manifest in the real world. The company has been complying with the mandatory requirements of the Code of Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) and incorporated clause 49 of the Listing Agreement in all material aspects.

The company believes that good corporate governance practices should be enshrined in all activities of the company. The company is committed to strong Corporate Governance ensures that the company is managed and monitored in a responsible manner geared to value creation. A good Corporate Governance System envisages application of best Corporate practices, adherence to ethical standards for effective management establishment of higher standard of disclosure transparency and performance and enhancement of wealth of all stakeholders. The company is in the continued pursuit of strengthening its governance practices and the company's compliance with the code is given below

1-Company's Philosophy on Corporate Governance

The company truly believes in transparency, Professionalism and accountability, which are the basic principles of Corporate Governance and will constantly, endeavor to improve on these aspects. The company's philosophy on corporate governance envisages the attainment of a high degree of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders , employees and the lenders. The company is committed to achieving the high standards of Corporate Governance and believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2-Board of Directors

The Board of Directors at present consists of 4 Directors, out of which 3 are non-executive and independent directors. As the company has a Non-Executive Chairman Mr. Datuk K.Keetheeswaran, the Board has 50% as independent directors comprising of Mr. Chandrasegaran, Kamalnayan Harakchand and Mrs Ganapathy Lalitha.

Category	Name of the Directors
Promoter / Non-Executive Chairman	1-Datu.K.Keetheeswaran[Non-Excutive Chairman]
Executive Director	2-Kamalnayan Harakchand[Whole time Director]
Independent & Non – Executive Director	3-R.Chandrasegaran 4-Ganapathi Lalitha

BRIEF PROFILE OF DIRECTORS

Mr.Datuk K.Keetheswaran

Datuk K.Keetheswaran, aged 51 years is the Non – Executive Chairman of our Company. A Malaysian National, Datuk K.Keetheswaran guides our company on crucial policy decision. Datuk K.Keetheswaran promoted various companies which have varied business viz; Plantations, Investments, Entertainment related business etc. In the year 2006, Datuk K.Keetheswaran, through his companies acquired the shares of Midvalley Entertainment Limited from the then existing promoters to focus on production, distribution and exhibition of movies business in India

Mr. R.Chandrasegaran

Mr. R.Chandrasegaran aged 52 years, is a graduated member of the Institute of Cooperative Auditors, Malaysia in the year 1985 and has completed the Management Development Program from Asian Institute of Management Manila in the year 1986. Mr. Chandrasegaran was subsequently in the year 2002 admitted as an associate member of the Institute of Cooperative Auditors, Malaysia

Mr. R.Chandrasegaran has more than twenty five years of experience in Auditing, Consulting and Mergers & Acquisitions with Alijefri &Co; a Chartered Accountant firm from 1978 to 2003.He was earlier the Executive Director cum CFO of our company and he continues on our board as Non - Executive Independent Director.

Mr. Kamalnayan Harakchand

Mr.Kamalnayan Harakchand aged 42 years and has wide experience in media and entertainment industry. He has so far distributed 29 films in Tamil and jointly with other production houses, produced films in Tamil.

Mrs. Ganapathy Lalitha

Mrs. Ganapathy Lalitha aged 70 years has experience in cable TV management & operating and domain experience in industries trend.

GENERAL INFORMATION

The company has achieved the following results during the past 3 years

(Rs. in Lakhs)

	2011-12	2012-13	2013-14
Income	585.53	0.038	0.24
Profit / (Loss) before tax	(2452.85)	(713.72)	(692.55)
Profit / (Loss) after tax	(2192.36)	(590.73)	(613.31)

BOARD MEETINGS, COMMITTEE MEETINGS AND PROCEDURE

a) The company held four meetings during the year by giving one week notice to each of the Directors. These were on 15.06.2013, 23.08.2013, 19.11.2013, 12.03.2014 and 31.03.2014. Four meetings were held at the end of each quarter as required under clause 41 of the Listing Agreement. The company has held at least one meeting in every three months and the time gap between any two meetings was not more than three months.

b) The meetings were held at the Company's Registered office at 9th floor, GEE GEE Emerald, 312 Valluvar Kottam High Road, Nungambakkam, Chennai – 600 034

c) All divisions / departments in the company are encouraged to plan their functions well in advance particularly with regard to matters requiring discussion / approval / decision in the Board / Committee meetings.

d) The board is periodically appraised with regard to the Finance, Sales and Marketing and the major business segments and operations of the company, before taking on record the results of the company for the preceding financial quarter. The Board's annual agenda includes review of performance of the company for the year and whether to conserve funds for working capital in the light of the performance of the company or to recommend dividend, determining Directors who shall retire by rotation and recommending appointment of Directors / Auditors, authentication of annual accounts and approving Directors' Report, formulation and approval of strategic business plan for the company and the principal issues that the company expects to face in the future. Board Meetings also note and review functions of Committees.

e) Minutes of the proceedings of each Board and Committee Meetings are recorded in the minutes books. Drafts minutes are circulated to all the members of the Board for their comments. The minutes of the proceedings of a Meeting are entered in the Minutes Book within 30 days from the conclusion of the meeting.

DIRECTORS' ATTENDANCE PARTICULARS AND DIRECTORSHIP HELD:

Name of the Director	Attendance Board Meetings (5)	Particulars of lat AGM	Directorships in other Public Limited Companies incorporated in India (Companies other than Midvalley)	Committee Memberships (Companies other than Midvalley)	Committee Chairmanship
Datuk K.Keetheeswaran	1	-	-	-	-
R.Chandrasegaran	1	-	-	-	-
K.Murugavel *	4	Yes	-	-	-
S.yuvaraj**	4	Yes	-	-	-
Harakchand Kamalnayan	4	yes	-	-	-

* Resigned from the Board w.e.f. 29.05.2014

** Resigned from the Board w.e.f. 31.03.2014

A) Information Supplied to the Board

Among others, this includes

- Review of annual operating plans and budgets and updates
- Quarterly results of the Company and its operating divisions or business segments
- Minutes of meeting of Audit Committee and other Committees of the Board
- Material important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents or dangerous occurrences
- Any materially relevant default in financial obligations to and by the company or substantial non payment in respect of sales made by the company
- Any issue involves possible public claims of substantial nature
- Transactions that involves substantial payments towards goodwill, brand equity or intellectual property
- Sale of material nature of investments, assets which is not in the normal course of business
- Non-compliance of any regulatory or statutory provisions or listing requirements as well as shareholder services

Minutes of every Board meeting are circulated to all Directors for their perusal prior to confirmation to provide the Directors an opportunity to clarify or raise comments on the minutes prior to the confirmation of the minutes.

Code of conduct for Board of Directors and Senior Management Personnel

The Company has adopted a code of conduct (“ The Code “) for Board of Directors and Senior Management Personnel. The code has been communicated to Directors and the members of the Senior Management. The code has also been displayed on the company’s website; www.mvel.in Board members and Senior Management have confirmed compliance with the code for the year ended 30th March 2014. The Annual report contains a declaration to this effect signed by the Whole Time Director.

Board Committees

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the following Board Committees. The Board Committees will deliberate to greater detail and examine the issues within their terms of reference as set out by the Board and make the necessary recommendations to the Board which retains full responsibility.

Audit Committee

A Qualified and Independent Audit Committee of the Board of the Company is functioning. It monitors and supervises the managements financial reporting. The terms of reference to the Audit Committee are as contained in Clause 49 of the listing agreement.

The responsibilities of the Audit Committee include inter alia

- a) Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- b) Recommending to the Board the appointment / reappointment / replacement / removal of Statutory Auditors and fixation of audit fees and payment for any other services rendered by them
- c) Reviewing with the Management the annual and quarterly financial statements before submission to the Board for approval with particular reference to the matters specified in the listing agreement
- d) Reviewing of any related party transaction
- e) Review with the Management on the performance of Statutory and Internal Auditors
- f) Reviewing with the Management external auditors, the adequacy of internal control system
- g) Discussion with external auditors regarding audit plan as well as post audit discussion to ascertain any area of concern
- h) Review of Management discussion and analysis of financial conditions and results of operations and other matters as specified under clause 49 of the listing agreement
- i) Other matters as set out in the listing agreement

The constitution of the committee and the attendance of each member of the committee are given below:

Name of the Director	Position	Category	No. of Committee Meetings held	No. of Committee Meetings attended
Mr. R.Chandrasegar	Member	Independent	3	-
Mr. K.Murugavel	Member	Whole time Director	3	3
Mr.Harakchand Kamalnayan	Chairman	Independent	3	3

MANAGEMENT:

Disclosures by management to the Board

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and interested directors neither participate in the discussion nor do they vote on such matters.

SHAREHOLDERS

a) Disclosure regarding appointment or re-appointment of Directors

According to the Articles of Associations of Midvalley Entertainment 's not less than 2/3 of the total Directors of the company shall be person whose period of office is liable to determination by retirement of Directors by rotation. All the Directors are eligible and are offering themselves for re-election as and when required

b) Communication to Shareholders

Midvalley has it own website and all vital information relating to the company and its performance including quarterly results, official press releases and presentation to analysis are posted on the website. The company's website address is www.mvel.in

DIRECTOR'S REMUNERATION & SITTING FEES

Mr. K.Murugavel, Executive Director & COO was paid Rs.165000/- during the year as the Director's remuneration. The non-executive directors are only entitled to be paid only sitting fees for Board / Committee meetings attended by them at the rate of Rs 5000/- for Board Meeting and Rs. 2000/- for Audit Committee Meetings. The sitting fee paid to the Non- Executive Directors for the 2013-2014 as detailed below:

Name of the Director	Sitting fee	Commission	Total
Mr. Harakh Chand Kamal nayan	28,000/-		28,000/-
Mr. Yuvaraj	28,000/-		28,000/-
Mr. Murugavel	-	-	-

As far as Non – Whole Time Directors, their appointment is for the benefit of their professional expertise in their individual capacity as independent business executives. Accordingly, the service contract, notice period and severance fees, if any of the company are not applicable to such Non – Whole Time Directors.

c) Investors' Grievance

The total number of complaints received and resolved to the satisfaction of the shareholders during the year under review was 1. Outstanding complaints as on 31st March 2014 were nil.

Share Transfer

M/s Cameo Corporate Services Limited , Registrar, who is registered with SEBI as a category – 1 Registrar, handles all share transfer. Share Transfers, demat requests and all other investor related activities are attended to and proceed at the office of our Registrar and Share Transfer Agent.

Shareholder's correspondence should be addressed to:

M/s Cameo Corporate Services Limited
'Subramanian Building'
V floor
1, Club House Road,
Chennai – 600 002
Ph: (044) 28460390 (6 lines) Fax: (044) 28460129
E-mail:- investor@ cameoindia.com

General Body Meeting

Details of last three Annual General Meeting are given below

Financial year ended	Date	Time	Venue
30.04.2011	31.12.2011	10.00 am	9 th floor, GEE GEE Emerald, 312
31.05.2012	28.02.2013	10.00 am	Valluvar Kottam High Road,
30.04.2013	31.10.2013	10.00 am	Nungambakkam, Chennai – 600 034

None of the subjects placed before the shareholders in this Annual General Meeting requires approval of the shareholders by postal ballot

Disclosures:

i) Related Party Transactions

The company related party and transactions are listed below:

S.No	Nature of Transaction	Amounts (Rs.)
1	Director Remuneration –K.Murugavel (upto 31.03.2014)	1,65,000/-
2	Common Directors in Companies a) Global Motion Pictures Pvt Ltd b) Kiara Enigma Sdn Bhd c) Unigold Pacific Ltd	Datuk Keetheeswaran (Non Executive Chairman)

ii) The company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets as and when applicable.

MEANS OF COMMUNICATION

The Financial results of the company are published in English & Tamil Newspapers. Results are posted in company's website www.mvel.in and also disbursed through BSE

GENERAL SHAREHOLDERS INFORMATION

AGM

Date	Monday, the 22 nd September 2014
Time	10.00 AM
Venue	ASHA NIVAS, 9,Rutland Gate 5 th street, Chennai- 600 006
Date of book closure	from 19 th September 2014 to 22 nd September 2014
Listing on Stock Exchange	Bombay Stock Exchange Limited
Listing date	Listed on 27 th January 2011 at Bombay Stock Exchange
Scrip Code	533310
Registrar and Share Transfer Agent	M/s Cameo Corporate Services Limited, Subramanian Building, No.1 Club House Road, Chennai – 600 002 Ph:044- 28460390 Fax: 044-28460129 E-mail: investor@cameoindia.com

Financial Calendar (tentative) Adoption of the Quarterly Results for the Quarter ending

31 st October 2013	2 nd week of December2013
31 st January 2014	2 nd week of March 2014
31 st March 2014	2 nd week of May 2014
30 th June 2014	2 nd week of August 2014

SHARE TRANSFER SYSTEM

The company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares in physical mode which are lodged for transfer either with the company or with the share transfer agent are processed and subject to exercise of option under compulsory transfer cum-demat procedure, share certificates are either demated or returned within the time prescribed by the authorities.

MARKET PRICE DATA

Month	Bombay Stock Exchange	
	High Price	Low Price
June 2012	7.00	6.80
July 2012	7.40	7.10

As Trading was suspended in Bombay Stock Exchange w.e.f. 7TH July 2012, no market price data are available after 7th July 2012

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014

Category (Amt)	No.of cases	% of cases	Total Shares	Amount	%of Amount
10-5000	1679	71.7828	272925	2729250	0.7974
5001-10000	251	10.7310	212193	2121930	0.6200
10001-20000	124	5.3014	205220	2052200	0.5996
20001-30000	64	2.7362	163649	1636490	0.4781
30001-40000	26	1.1115	92639	926390	0.2706
40001-50000	35	1.4963	170558	1705580	0.4983
50001-100000	42	1.7956	339968	3399680	0.9933
100001-And above	118	5.0448	32767417	327674170	95.7423
Total	2339	100.0000	34224569	342245690	100.0000

SHAREHOLDING PATTERN AS ON 31.03.2014

Particulars	No.of share holders	No.of shares	Percentage
Promoter- Corp.Body	4	1,28,03,807	37.41
Public Shareholding			
1-Foreign Institutional Investor	5	28,20,780	8.24
2- Bodies Corporate	114	85,51,296	24.98
3-Individual up to 1 lakh	2091	12,92,636	3.78
4-Individual above 1 lakh	62	49,21,637	14.38
Others			
1- Foreign Nationals	2	8,00,000	2.34
2- HUF	45	1,97,907	0.58
3-NRIs	15	4,81,506	1.41
4-Overseas Corporate Bodies	1	23,55,000	6.88
Total	2339	3,42,24,569	100

3,14,33,186 shares have been dematerialized as on 31st March 2014 accounting for 91.84%

The company has not issued any Global Depository Receipt / American Depository Receipt/ Warrant or any convertible instruments which is likely to have impact on the company's equity

Declaration pursuant to Clause 49 of Listing Agreement regarding adherence to the Code of Conduct

To

The Shareholders of Midvalley Entertainment Limited

I hereby declare that all members of the Board and the Senior Management personnel have affirmed compliance with the respective provisions of the code of conduct of the company formulated by the Board of Directors for the financial year ended 31st March 2014.

(Sd/-)

Kamalnayan Harakchand
Whole Time Director
Place : Chennai
Date:14.08.2014

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To
The Board of Directors,
Midvalley Entertainment Limited

I, Kamalnayan Harakchand, Whole Time Director of Midvalley Entertainment Limited certify that:

1-I have received financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of our knowledge and belief:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with applicable accounting standards, laws and regulations

2-There are to the best of our knowledge and belief, no transaction entered on to by the company during the year which are fraudulent, illegal or violative of the company's code of conduct

3-I accept responsibility for the establishing and maintaining internal controls for the financial reporting. This is monitored by internal Audit, which encompasses the examination and evaluation of the adequacy and effectiveness, Internal Audit works with all levels of management and statutory Auditors and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are appraised of any corrective action take with regard to significant deficiencies and material weakness.

4- I indicate to the Auditors and the Audit Committee:

- a) Significant changes in internal control over financial reporting during the year
- b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
- c) Instance of significant fraud of which we 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 over financial reporting.

(Sd/-)
Kamalnayan Harakchand
Whole Time Director
Place : Chennai
Date:14.08.2014

Independent Auditor's Report

To

THE MEMBERS,
M/S. MIDVALLEY ENTERTAINMENT LIMITED
CHENNAI.

Report on Financial Statements

We have audited the accompanying financial statements of M/S. MIDVALLEY ENTERTAINMENT LIMITED, which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss for the period 01.05.2013 to 31.03.2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Basis of Adverse Opinion:-

- 1. The company has maintained records showing full particulars including quantitative details and situation of Fixed Assets. However, the fixed asset register is yet to be updated.*

2. *According to the records of the Company, the company is not regular in depositing undisputed statutory dues including Income tax deducted at source, Cess and other statutory dues with the appropriate authorities. The company has to pay the income tax & Fringe Benefit tax for the years March'2006, March 2007, 2008, 2009 & 2010 amounting to Rs.36,42,653/-, Rs.5,75,40,364/-, Rs.3,51,17,320/- Rs.47,76,704/- and Rs.77,66,000/- & FBT Rs.1,65,000/- (excluding interest), TDS of Rs.9,90,1254/-, ESI, PF & Professional Tax of Rs.1,33,849/- respectively. According to the information and explanation given to us disputed Income Tax amounting to Rs.91.71 lacs/- is outstanding as at 31st March 2014 out of which company had paid Rs.30 lakhs under protest, in respect of which the company has made an appeal with the CIT (appeals).*
3. *In the absence of confirmation of parties balances relating to sundry debtors, loans and advances, the recoverability of such amounts appear to be in doubt, in respect of which no provision has been made by the company and the consequent effect on the accounts of the company, the profits, the value of the assets and liabilities of the company which is not determinable.*
4. The company has not transacted any business during the year and hence raise serious doubts as to the company being a "going concern". However, the accounts have been prepared on a going concern basis.
5. The company has not provided for gratuity on actuarial valuation basis.
6. The company has not filed its income tax return for the A.Y. 2010-2011, 2011-2012, 2012-2013 & 2013-2014.

Adverse Opinion

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and **subject to Note 1(g), 20 (c) and basis of adverse opinion para 1 to 6 enumerated above** give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31th March, 2014;

- b) in the case of the Profit and Loss Account, of the Loss for the period 01.05.2013 to 31.03.2014;
- c) in the case of the cash flow statement, for the period 01.05.2013 to 31.03.2014;

Report on Other Legal and Regulatory Requirements:-

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956 **subject to Note 1 (g), 20 (c) and basis of adverse opinion para 1 to 6 enumerated above;**
 - e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Venkatesh & Co.,
Chartered Accountants
F.R.No. 004636S**

(Sd/-)

**Place: Chennai
Date : 29.05.2014**

**CA .Dasaraty. V
M.NO.26336
Partner**

Annexure to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. a) The company has maintained records showing full particulars including quantitative details and situation of Fixed Assets. *However, the fixed assets register is yet to be updated.*

b) We are informed that the Management at reasonable intervals has physically verified the Fixed Assets of the Company and that no material discrepancies were noticed on such verification.

c) No substantial part of fixed assets have been disposed off during the year.
2. a) The stocks of Movies, Serials and Programmes have been physically verified at reasonable intervals by the management.

b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The company is maintaining proper records of inventory and no material discrepancies are noticed on such physical verification.
3. a) The Company has granted interest free advances to parties covered in the register maintained under section 301 of the companies Act, 1956. (No of Parties 3 – 33,98,242). These advances have been made without stipulations as to repayment of Principal.

b) The Company has taken unsecured loans without any stipulation as to the repayment of principal and interest to parties covered in the register maintained under section 301 of the companies Act, 1956. (No of Party – 1 – Rs.87,86,143)

c) In respect of other advances made by the company we are unable to comment on the recoverability of the same.
4. In view of the fact that there have been no purchases/ sales made during the year no comments are offered with regard to the internal controls on purchases / sales.
5. a) The particulars of contracts referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

- b) According to the information and explanations given to us, there were no transactions of purchase of Film Rights and Distribution Rights made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and aggregating Rs.5 Lacs or more during the year
6. The company has not accepted any deposits from the public. The provisions of sections 58 A & 58 AA of the companies Act, 1956, and the Rules framed there under is not applicable.
 7. In our opinion, the company has no separate internal audit system. However the existing Internal Control measures are commensurate with its size and nature of its business.
 8. The central government has not prescribed the maintenance of cost records u/s.209 (1) (d) of the Companies Act, 1956 to the company.
 9. a) According to the records of the Company, the company is not regular in depositing undisputed statutory dues including Income tax deducted at source, Sales tax, Customs duty, Cess and other statutory dues with the appropriate authorities. The company has to pay the income tax & Fringe Benefit tax for the years March'2006, March 2007, 2008, 2009 & 2010 amounting to Rs.36,42,653/-, Rs.5,75,40,364/-, Rs.3,51,17,320/- Rs.47,76,704/- and Rs.77,66,000/- & FBT Rs.1,65,000/- (excluding interest) & TDS of Rs.9,90,1254/-, ESI, PF & Professional Tax of Rs.1,33,849/- respectively. According to the information and explanation given to us disputed Income Tax amounting to Rs.91.71 lacs/- is outstanding as at 31st March 2014 out of which company had paid Rs.30 lakhs under protest, in respect of which the company has made an appeal with the CIT (appeals).
 10. The Company has accumulated losses of Rs.14,95,45,051/- at the end of the financial year. The Company has incurred cash loss of Rs. 61,64,422/- (56,78,313/-) in the current financial year under report.
 11. The Company has not defaulted in repayment of dues to Banks during the year.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company has not given any guarantee for loans taken by others from Bank or financial institutions.
 14. The company has not obtained any term loans during the year.
 15. As per the records of the company, no funds were raised on short term basis and used for long term investment and vice versa.

16. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
17. The Company has not issued any debentures, so creation of securities in respect of debentures does not arise.
18. The company has not raised any money by public issues during the period covered by our audit report.
19. According to the information and explanations furnished to us, no fraud has been noticed or reported during the year.

**For Venkatesh & Co.,
Chartered Accountants
F.R.No. 004636S**

(Sd/-)

**Place: Chennai
Date :29.05.2014**

**CA .Dasaraty. V
M.NO.26336
Partner**

MIDVALLEY ENTERTAINMENT LIMITED
No.9A Gee Gee Emerald, Nungambakkam High Road, Chennai-34

BALANCE SHEET FOR THE PERIOD ENDED 31.03.2014				
Particulars	Note	As on 31-03-2014	As on 30-04-2013	
<u>I Equity & Liabilities</u>				
1. Share Holders Funds				
a) Share Capital	2	342,245,690	342,245,690	
b) Reserves and Surplus	3	462,056,369	523,387,022	
2. Non- Current Liabilities				
a) Long Term Borrowings	4	8,786,143	8,601,824	
b) Other Long Term Liabilities	5	134,022,873	133,779,120	
c) Long Term Provisions	6	99,650,820	99,650,820	
3. Current Liabilities				
a) Other Current Liabilities	7	1,325,740	974,957	
Total		1,048,087,635	1,108,639,433	
<u>II Application of Funds</u>				
1. (A) Fixed Assets				
a) Tangible Assets		230,478,234	231,290,090	
b) Intangible Assets		304,990,691	352,982,513	
c) Capital Work In Progress		64,500,000	64,500,000	
(B) Non- Current Investments	9	800,000	800,000	
(C) Deferred Tax Asset (Net)		23,781,764	15,857,204	
(D) Long Term Loans & Advances	10	322,351,441	327,354,788	
2. Current Assets and Loans & Advances				
a) Inventories	11	63,834,995	72,587,919	
b) Trade Receivables	12	23,374,152	23,374,152	
c) Cash and Cash Equivalents	13	71,268	121,622	
d) Other Current Assets	14	13,905,090	19,771,145	
Total		1,048,087,635	1,108,639,433	
Significant accounting policies 1				
As per our report of even date attached				
For Venkatesh & Co.,				
Chartered Accountants				
(Sd/-)			(Sd/-)	(Sd/-)
CA Dasaraty V	Company Secretary		Director	Director
Partner			Murugavel.K	Kamalnayan.H
M.No.26336	Date:29/05/2014	Place: Chennai		

MIDVALLEY ENTERTAINMENT LIMITED
No.9A Gee Gee Emerald, Nungambakkam High Road, Chennai-34

Profit and Loss Account for the Period from 01.05.2013 to 31.03.2014				
Particulars	Note	01.05.2013 to 31.03.2014	01.05.2013 to 31.03.2014	
<u>I. Revenue From Operation</u>				
Sale of Services		-	-	
Other Income	15	24,054	3,880	
		24,054		3,880
<u>B Expenditure</u>				
Cost of Distribution / Purchase of Programmes/ Rights & Telecast Fees	16	2,000,000	200,000	
Administrative Expenditure	17	4,180,922	5,466,815	
Interest and Finance Charges	18	7,554	11,498	
Depreciation & Amortisation	8	48,803,686	48,763,096	
Amortisation of Distribution Rights	19	8,421,051	10,535,838	
Preliminary Expenses written off		5,866,054	6,399,332	
			-	
	B	69,279,267		71,376,580
<u>C. Profit before Taxation</u>				
	A-B	(69,255,213)		(71,372,700)
Less: Provision for Taxation				-
		(69,255,213)		(71,372,700)
Add: DTL Reversal / creation		7,924,560		(12,299,309)
D Profit After Taxation				
		(61,330,653)		(59,073,391)
Earning Per Share		(1.79)		(1.73)
Schedules 12 to 17 form part of this Profit and Loss Account				
Notes on Accounts				
As per our report of even date attached				
For Venkatesh & Co.,				
Chartered Accountants				
(Sd/-)			(Sd/-)	(Sd/-)
CA Dasaraty V		Company Secretary	Director	Director
Partner			Murugavel.K	Kamalnayan.H
M.No.26336	Date:29/05/2014	Place: Chennai		

MIDVALLEY ENTERTAINMENT LIMITED
No.9A Gee Gee Emerald, Nungambakkam High Road, Chennai-34

SCHEDULES FORMING PART OF BALANCE SHEET

Note - 2

SHARE CAPITAL:

Particulars	As on 31-03-2014	As on 30-04-2013
<u>Share Capital</u>	-	-
<u>1. Share Holders Funds</u>	-	-
4,50,00,000 Equity shares of Rs.10/- Each	450,000,000	450,000,000
<u>Issued Subscribed and paid up share capital</u>	-	-
(3,42,24,569 (3,42,24,569) Equity Shares of Rs. 10/- each)	342,245,690	342,245,690
out of the total 1,50,42,710 equity shares Unigold pasipic ltd 4862958, Kiara enigma SDN bltd 2212000, Golabal motion pictures ventures pte ltd 5612752 and Image Eventures Ltd 2355000 were hold more than 5% of the share holding of the Company		
Total	342,245,690	342,245,690

Note - 3

RESERVES AND SURPLUS

Particulars	As on 31-03-2014	As on 30-04-2013
(1) Share Premium Account		
Opening Balance	611,601,420	611,601,420
Add:- Addition during the year	-	-
	611,601,420	611,601,420
Less:- Deduction during the year	-	-
Closing Balance	611,601,420	611,601,420
(2) Profit & Loss Account		
Opening Balance	(88,214,398)	(29,141,007)
Add:- Addition during the year	-	-
	(88,214,398)	(29,141,007)
Less:- Deduction during the year	61,330,653	59,073,391
Closing Balance	(149,545,051)	(88,214,398)
Total	462,056,369	523,387,022

Note - 4

Long Term Borrowings

Particulars	As on 31-03-2014	As on 30-04-2013
<u>(unsecured Loans)</u>	-	-
From Directors	8,786,143	8,601,823
Total	8,786,143	8,601,823

Note - 5

Other Loan Term Liabilities

Particulars	As on 31-03-2014	As on 30-04-2013
(1) Others	134,022,873	133,779,120
Total	134,022,873	133,779,120

MIDVALLEY ENTERTAINMENT LIMITED

No.9A Gee Emerald, Nungambakkam High Road, Chennai-34

Note - 8

FIXED ASSETS

Particulars	Gross Block at cost			Depreciation				Net Block			
	As on 01.05.13	Additions	Deletions	As on 31.03.14	As on 01.05.13	For the Period 335 DAYS	Amortisation 335 DAYS	Withdrawal	As on 31.03.14	As on 30.04.13	
Rights	522,895,962	-	-	522,895,962	169,913,449	-	47,991,821	-	217,905,270	304,990,692	352,982,513
Buildings	11,644,252	-	-	11,644,252	3,478,490	374,730	-	-	3,853,220	7,791,032	8,165,762
Plant and Machinery	992,318	-	-	992,318	783,544	26,654	-	-	810,198	182,120	208,774
Digital Cinema Projector	220,000,000	-	-	220,000,000	-	-	-	-	-	220,000,000	220,000,000
Lighting Equipments	8,644,433	-	-	8,644,433	7,091,346	198,278	-	-	7,289,624	1,354,809	1,553,087
Office Equipments	3,591,380	-	-	3,591,380	2,936,944	83,058	-	-	3,020,002	571,378	650,582
Furniture and Fixtures	6,117,006	-	-	6,117,006	5,488,271	104,447	-	-	5,592,721	524,285	628,735
Computers	2,245,520	-	-	2,245,520	2,166,222	24,697	-	-	2,190,919	54,610	67,273
Vehicles	-	-	-	-	-	-	-	-	-	-	-
Total	776,130,871	-	-	776,130,871	191,858,267	811,865	47,991,821	-	240,661,955	535,468,925	584,256,725

Previous year total 237,310,394 320,033,900 1,391,076 555,953,218 64,368,711 1,246,001 20,377,267 827,200 85,164,782 470,788,436 175,836,270

Note - 6**Loan Term Provisions**

Particulars	As on 31-03-2014	As on 30-04-2013
(1) Provision for Taxation	99,650,820	99,650,820
Total	99,650,820	99,650,820

Note - 7**Other Current Liabilities**

Particulars	As on 31-03-2014	As on 30-04-2013
(1) Other Payables	1,325,740	974,957
Total	1,325,740	974,957

Note - 9**Current Investments:**

Particulars	As on 31-03-2014	As on 30-04-2013
Investments		
Investment in Equity share of Midvalley Contents & Distributions Pvt Ltd (10000 shares of 10/- each)	100,000	100,000
Midvalley Entertainment International Pvt Ltd (60000 shares of 10/- each)	600,000	600,000
Midvalley Hospitality Pvt Ltd (10000 shares of 10/- each)	100,000	100,000
Total	800,000	800,000

Note - 10**Long Term Loans and Advances**

Particulars	As on 31-03-2014	As on 30-04-2013
(Unsecured and Considered Good)		
Other Loans & Advances	322,351,441	327,354,788
Total	322,351,441	327,354,788

Note - 11**Inventories**

Particulars	As on 31-03-2014	As on 30-04-2013
Stock of Movies / Serials and Programmes - Rights / Stock of Audio / CD Cassettes	55,864,284	64,234,333
Work in Progress		
Feature Films	7,970,711	8,353,586
Total	63,834,995	72,587,919

Note - 12**Trade Receivables**

Particulars	As on 31-03-2014	As on 30-04-2013
(unsecured and Considered Good)		
a) Debts outstanding for a period exceeding 6 months	23,374,152	23,374,152
b) Others		-
Total	23,374,152	23,374,152

Note - 13**Cash and Cash Equivalents**

Particulars	As on 31-03-2014	As on 30-04-2013
Balances with Bank	65,484	115,519
Cash on Hand	5,783	6,103
Total	71,268	121,622

Note - 14**Other Current Assets**

Particulars	As on 31-03-2014	As on 30-04-2013
Tax Deducted at Source	573,144	573,144
Miscellaneous Expenditure	13,331,946	19,198,001
Total	13,905,090	19,771,145

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**Note - 15****Other Income**

Particulars	As on 31-03-2014	As on 30-04-2013
Miscellaneous Income	24,054	-
Total	24,054	-

Note - 16**Cost of Production / Distribution / Purchase of Programmes/ Rights & Telecast Fees**

Particulars	As on 31-03-2014	As on 30-04-2013
Theatre Expenses	400,000	200,000
Total	400,000	200,000

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**Note - 17****Administrative Expenses**

Particulars	As on 31-03-2014	As on 30-04-2013
Audit committee Fee	16,000	24,000
Audit Fees	393,260	393,260
Audit Fees - Secretarial	71,916	18,500
Listing fee - BSE	-	162,922
Director's remuneration	165,000	165,000
Electricity Charges	91,261	8,800
ESI Old due - 2007-08	-	150,415
Miscellaneous Expenses	197,858	124,498
Professional Fee	235,035	115,680
Provision for diminution in the value of Production inventory	382,873	439,662
Provision for Guratuity	29,250	29,250
Rent	55,000	55,000
Rate & Taxes	56,180	56,180
Repairs and Maintenance	409,147	1,485,000
Salaries	1,916,422	2,124,962
Sitting Fees to Directors	40,000	60,000
Staff Welfare Expenses	24,260	30,034
Telephone charges	50,313	15,972
Travelling Expenditure	47,147	7,680
Total	4,180,922	5,466,815

Note -18**Interest and Finance Charges**

Particulars	As on 31-03-2014	As on 30-04-2013
Interest paid		5,967
Bank Charges	7,554	5,531
Total	7,554	11,498

Note - 19**Distribution Rights Written Off**

Particulars	As on 31-03-2014	As on 30-04-2013
Rights Written During the Year	8,421,051	10,535,838
Total	8,421,051	10,535,838

Note – 1 :-

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:-

I. SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention on an accrual basis and comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956

b. FIXED ASSETS AND DEPRECIATION:

- i. Fixed Assets are stated at Cost of Acquisition Less accumulated depreciation.
- ii. Depreciation is provided from the date on which the assets have been installed and put to use, under the written down value method at the rates and in the manner specified under schedule XIV of the Companies Act, 1956.
- iii. In respect of satellite rights of films, the cost of the asset is written off proportionately over a period of ten years.

c. INVENTORIES

1. Inventories are valued at cost or net realizable value whichever is lower. The Company Amortizes 60% of the cost of the rights acquired or produced by it, in the year of first theatrical release of the movie. Balance 40% is amortized over the balance license period or based on management estimate of future revenue potential, as the case may be.
2. Work in progress is stated at cost. Cost comprises of movie production expenses incurred including artiste and other salaries, shooting expenses etc.
3. Cost of production of movies Produced and not exploited are valued after considering a provision of 5% on the cost.

d. TAXATION:

Provision for Income tax has been made at the current tax rates based on the assessable income under the provisions of the Income Tax Act, 1961.

e. DEFERRED TAXATION:-

Deferred Tax Liability on timing differences of Book and IT depreciation and distribution rights is provided for.

f. FOREIGN CURRENCY TRANSACTIONS:-

Foreign currency transactions are recorded in the books by applying the exchange rate as on the transaction. Investments in foreign currency are reported using the exchange rate at the date of transaction. Our foreign currency transactions are converted at the exchange rate prevailing on the last working day of the accounting year. Fluctuations in the exchange rate transactions are charged to profit & loss account, wherever necessary. In respect of foreign currency transactions in fixed asset, the exchange gain or loss is adjusted in the carrying amount of fixed assets and accordingly depreciation is charged.

g. Retirement Benefits

Contribution to Provident Fund and Earned Leave Encashment are accounted on actual liability basis. The liability in respect of Gratuity is not provided based on the actuarial valuation.

h. IMPAIRMENT OF FIXED ASSETS

The company provides for impairment of assets in accordance with AS28 Issued by the ICAI. During the year, no provision for impairment is considered necessary after considering the amortization and depreciation provided for.

i. REVENUE RECOGNITION:-

a) SALE OF FILM RIGHTS:

Revenues arising from sale of Distribution rights of the feature films produced by the company are recognized on accrual basis, based on specific distribution contracts. Income is recognized only upon completion of the project and obtaining a valid film Censorship Certificate.

b) DISTRIBUTION OF FILMS:

Income from own distribution of films are to the extent of the collections received from the distribution areas.

c) SALE OF SATELLITE RIGHTS:

Incomes from sale of Satellite rights are recognized based on contract of sale and the amounts received.

d) SALE OF PROGRAMMES :

Incomes on sale of Programmes are recognized on accrual basis based on the Invoices raised.

e) SALE OF AUDIO RIGHTS AND ROYALTIES:

Income from sale of Audio rights is accounted on accrual basis based on specific contracts. Income from Royalties is accounted on accrual basis based on the contract with the music companies. Audio Rights and Royalties are recognized only upon completion and released of the audio albums.

f) EXPORT OF SERIALS AND FILMS:

Income recognized on accrual based on export invoices/contracts with overseas companies.

g. THEATRE INCOME:

Income recognized on receipt of Daily Collection report.

h. MISCELLANEOUS EXPENDITURE :-

Miscellaneous Expenditure represents expenses incurred in connection with the public issue which would be written off over five years.

i. Previous years figures have been regrouped / recast wherever necessary.

Note No.20

a. DEFERRED TAX:

	31 st March, 2014	Current Year	April 30,2013
Deferred Tax Liability			
WDV as per Companies Act	3154,68,925		
WDV as per Income tax Act	3924,32,562		

Timing difference	(769,63,637)		

DTA Income tax rate 30.9%	(237,81,764)		
Distribution Rights Income tax rate 30.9%		(79,24,560)	
DTA			
Total DTA for Balance sheet	2,37,81,764		1,58,57,204

b. RELATED PARTY DISCLOSURE

Relationship Chart – 1st May, 2013 to 31st March, 2014

Name of the Related Party	Relationship
Unigold Pacific Limited	Company with common Director
Kiara Enigma Sdn Bhd	Company with common Director
Global Motion Pictures and Ventures Pte Ltd	Company with common Director
Datuk K. Keetheswaran	Non Executive Chairman
Murugavel	Director
Midvalley Entertainment International Pvt Ltd	Subsidiary
Midvalley Contents & Distributions Pvt Ltd	Wholly owned Subsidiary
Midvalley Hospitality Pvt Ltd	Wholly owned Subsidiary

Related Party transactions for the period 1st May, 2013 to 31st March, 2014.

<u>Nature of Transaction</u>	Midvalley Contents & Distributions Pvt Ltd - Wholly owned Subsidiary	Midvalley Hospitality Pvt Ltd - Wholly owned Subsidiary	Midvalley Entertainment International Pvt Ltd – Subsidiary	<u>Murugavel</u>
Managerial Remuneration	-	-	-	1,65,000 (1,65,000)
Loans & Advances	7,20,725 (7,20,000)	1,032 (312)	26,76,485 (24,19,718)	-
Loan – Liability				87,86,143 (86,01,823)

- c. The confirmation of parties balances relating to sundry debtors, sundry creditors, loans and advances has not been obtained. The sundry debtors and advances are recoverable in the opinion of the management.

d. SEGMENT REPORTING

The company is operating in a single segment and hence the segment reporting is not applicable to the company

e. MICRO, SMALL AND MEDIUM ENTERPRISES:

Sundry Creditors includes amount due to SSI as on 31.03.14: **Rs.NIL** (NIL) with available information from Micro, Small and Medium Enterprises regarding their registration with Central/State Government authorities the disclosure as per Sec 23 of The Micro Small Medium Enterprises Development Act 2006 is made.

f. FOREIGN EXCHANGE INFLOW AND OUTFLOW:-

	<u>01 May, 2013</u> <u>(in Rs.)</u>	<u>March 31, 2014</u> <u>(in Rs.)</u>
CIF Value of Imports	NIL	NIL

	<u>01 May, 2013</u> <u>(in Rs.)</u>	<u>March 31, 2014</u> <u>(in Rs.)</u>
Earnings In Foreign Exchange	NIL	NIL

Foreign Exchange Outgo

	<u>01 May, 2013</u> <u>(in Rs.)</u>	<u>March 31, 2014</u> <u>(in Rs.)</u>
Foreign Exchange Outflow	NIL	NIL

- g. During the year the company has written off its unused rights for the value of Rs. 84,21,051

h. CONTINGENT LIABILITES:

Rs. in Lakhs

- | | |
|--|-------|
| a) Disputed Income tax Demand for the Year 2001-2002
(out of which Rs.30 lakhs paid under protest) | 91.71 |
| i. The current financial year of the company relates to a period of 11 months and hence cannot be strictly compared to the previous year which relates to twelve months. | |

**For Venkatesh & Co.,
Chartered Accountants
F.R.No.004636S**

(Sd/-)
CA Dasaraty V
Partner
M.No.26336
PLACE: CHENNAI
DATE: 29.05.2014

(Sd/-)
Director

(Sd/-)
Director

CASH FLOW STATEMENT

Amount In Rupees

<u>Particulars</u>	Year / Period Ended	
	As on 31.03.2014	As on 30.04.2013
Cash Flows From Operating Activities		
Net Profit Before Taxation	(69,255,213)	(71,372,700)
Adjustments For:		
Depreciation	48,803,686	48,763,096
Interest / Dividend Income	-	-
(Profit) / Loss on Sale of Asset	-	(3,883)
Preliminary expenses written off	5,866,054	6,399,332
Interest Paid	-	-
Amortisation of Dist Rights & Satellite Rights	8,421,051	10,535,838
Provision for diminution in the value of inventories	382,873	439,662
Bad Debts Written off	-	-
Operating Profit Before Working Capital changes	(5,781,549)	(5,238,654)
Change in Trade and Other receivables	-	-
Change in Inventories	-	-
Change in other Current Assets	5,003,347	1,065,000
Change in other Current Liabilities	543,529	128,987
Income Taxes Paid	-	-
Net Cash Flow From Operating Activities	(234,673)	(4,044,667)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	-	3,883
Sale / (Purchase) of Investments	-	(500,000)
Net Cash flow used in Investing Activities	-	(496,117)
Cash Flow from Financing Activities		
Changes in Borrowings	184,320	4,601,043
Share Capital raised	-	-
Share Premium	-	-
Interest Received	-	-
Interest Paid	-	-
Net Cash Flow From Financing Activities	184,320	4,601,043
Net Increase in Cash and Cash Equivalents		
<i>(Opening Balance)</i>	121,621	61,362
Cash and Cash Equivalents		
<i>(Closing Balance)</i>	71,268	121,621

1. The cash flow statement has been prepared in accordance with the requirements of Accounting Standard – 3 “Cash Flow Statement” issued by the Institute of Chartered Accountants of India.

2. Cash flows have been reported using the indirect method, whereby the net profit is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments, segregating between cash flows.

3. Significant cash and cash equivalent balances held by the enterprise are available for use by the company.

Proxy form

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

CIN:L85110TN1989PLC062297
Name of the company:Midvalley Entertainment Limited
Registered office:9th Floor,GEE GEE Emerald, 312,Valluvar Kottam
High Road, Nungambakkam, Chennai-600034

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

2. Name:

Address:

Address:

E-mail Id:

E-mail Id:

Signature:....., or failing him

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting to be held on the 22nd day of September, 2014 at 10.00 AM at Asha Nivas, No9 Rutland Gate 5th Street, Chennai-600006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1-To receive, consider and adopt the audited Profit & Loss Account for the year ended March 31, 2014, the Balance sheet as on that date and the reports of the Auditors and Directors thereon.

2-To appoint a Director in the place of Mr.Ketheeswaran Murugesu Kanagaratnam (holding DIN 01410448) who retires by rotation and being eligible offers himself for re-appointment.

3. To reappoint M/s. Venkatesh & Co, Chartered Accountants (Firm Regn. No. 004636S), as statutory auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 26th consecutive AGM and to fix their remuneration and to pass the resolution thereof.

4-Appointment of Mr. Kamalnayan Harakchand as Director

5-Appointment of Mrs. Ganapathy Lalitha as Director

6-Appointment of Mr. Kamalnayan Harakchand as Whole Time Director

7-Appointment of Secretarial Auditor

8-Adoption of New Article of Association

Signed this..... day of..... 2014

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

MIDVALLEY ENTERTAINMENT LIMITED

CIN: L85110TN1989PLC062297

Regd. Office: 9TH FLOOR, G G EMERALD, 312, VKH ROAD, NUGAMBAKKAM, CHENNAI - 600034

Attendance Slip

I certify that I am registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company onday,, 2014 at 10.00 a.m. at

Client ID / Folio number

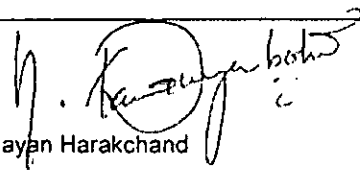
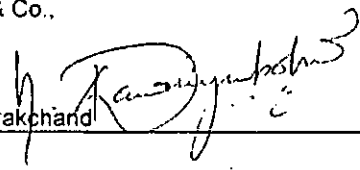
Signature of attending Member / Proxy



Mid Valley

Entertainment Limited

FORM B

1	Name of the Company	Midvalley Entertainment Limited
2	Annual Financial Statements for the year end	31 st March 214
3	Type of Audit Qualification	Subject to Note No,(1) (g) relating to contribution to Provident Fund and Earned Leave Encashment, note No.20 (c) relating to confirmation of parties balances regarding sundry debtors, sundry creditors, loans & advances and Basis of adverse opinion para 1 to 6 relating to maintenance of records, statutory dues, confirmation of parties balances, serious doubts as to the company being a going concern, not provided for gratuity on actuarial valuation basis and not filed income tax return for the A Y 2010-11, 2011-12, 2012-13 & 2013-14
4	Frequency of qualification	The said qualification appeared from 2012-13
5	Additional comments from the board / audit committee chair	<ol style="list-style-type: none"> 1) Fixed Asset register is being updated. 2) The company is making effort is clear the dispute with income tax department 3) The trade receivable are negligible and however company is making effort to recover the same 4) The company due to recessionary trends on the industry in south India has not transacted business for last year. However the company has drawn up plans for the technical expansion and distribution business in the current year. 6) The company IT return will be filed.
6	Signed by 1-Whole Time Director	 Kamalnayan Harakchand
	2-Auditor of the Company	CA Dasaraty.V M/s Venkatesh & Co.,
	3-Audit Committee Chairman	 Kamalnayan Harakchand