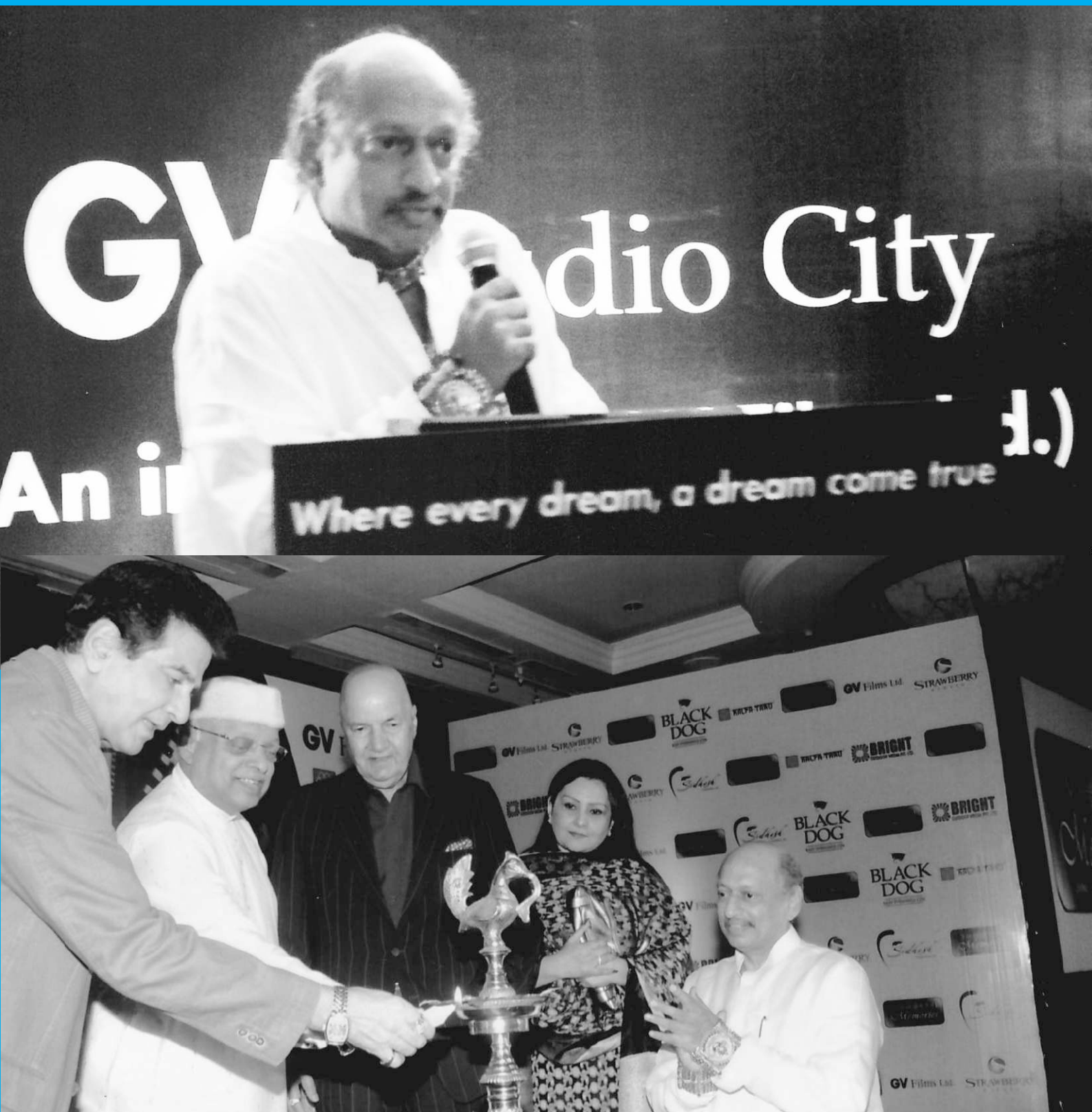


# GV FILMS LIMITED

Where every dream, a dream come true

23<sup>rd</sup> Annual report 2011-2012



# **GV FILMS LIMITED**

## ***Twenty Third Annual Report***

### **Board of Directors**

**Mr. M.V.BALAGIRI**

(Chairman & Managing Director)

**MR. MAHADEVAN GANESH**

**MR. A. VENKATRAMANI**

**MR. R.GOPALAN**

**MR. A. PRAKASHCHANDRA HEGDE**  
(Upto 25.05.2011)

### **Regd. Office**

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

### **Auditors**

**R.Ravindran & Associates**

(Chartered Accountants)  
14, Ashatalakshmi Street,  
Muthulakshmi Nagar  
Chitlapakkam, Chennai - 600064

### **Registrars & Share Transfer Agents**

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

### **Bankers**

**State Bank of India**

**ICICI Bank**

**HDFC Bank**

### **COMMITTEES**

**Share Transfer Committee**

**R. Gopalan, Chairman**

**Mahadevan Ganesh, Member**

**A Venkatramani, Member**

### **Shareholder / Investors**

#### **Grievance Committee**

**Mahadevan Ganesh, Chairman**

**R. Gopalan, Member**

**A Venkatramani Member**

### **Audit Committee**

**R. Gopalan, Chairman**

**A.Venkatramani, Member**

**Mahadevan Ganesh, Member**  
(Appointed on 30.05.2011)

### **Equity Shares Listed At**

**The Madras Stock Exchange Ltd, Chennai**

**The Bombay Stock Exchange Ltd, Mumbai**

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**NOTICE**

**NOTICE** is hereby given that the Twenty Third Annual General Meeting of the members of the Company will be held at **MIG Cricket Club, Galaxy Hall, MIG Colony, Near Mhada, Bandra (E), Mumbai – 400051** on Friday, 19<sup>th</sup> April 2013 at 01.00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2012, the Audited Profit and Loss Account for the financial year ended on that date, together with the Report of the Board of Directors and Auditor's thereon.
2. To appoint a director in place of Mr. A. Venkatramani who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint the Auditors to hold the office from the conclusion of this Annual General Meeting until the conclusion of Next Annual General Meeting and to fix their remuneration and to pass the resolution thereof

**“RESOLVED** that M/s R. Ravindran & Associates, Chartered Accountants, (FRN 003222S) be and is hereby re- appointed as the Statutory auditors of the company from the conclusion of the this Annual General Meeting until the conclusion of next Annual General Meeting.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to fix the Remuneration and other terms and conditions for appointment of Auditor.”

For and on behalf of The Board Of The Directors

Sd/-

**M.V.Balagiri**

Chairman & Managing Director

Place: - Mumbai

Date: - 16<sup>th</sup> March, 2013.

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM TO BE VALID MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING.**
2. Members desiring any information on the accounts are requested to write to the Company at least 7 days (on or before 11<sup>th</sup> April, 2013) before the meeting so as to enable the Company to keep the information ready. The Members/Proxies are requested to bring the copies of the Annual Report to the Meeting and the same will not be distributed at the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **12<sup>th</sup> April 2013 to 19<sup>th</sup> April 2013 (Both days inclusive)** to ascertain the list of members for 23<sup>rd</sup> Annual General Meeting.
4. The Members are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents (M/s. Cameo Corporate Services Ltd)
5. As per the MCA circular No. 18/2011 dated 29.04.2011 The Ministry of Corporate Affairs has taken Green Initiative in Corporate Governance – by allowing paperless compliances by companies. As per the said circular, companies are permitted to send the annual reports to the members through electronic mode. Hence, members are requested to update their e-mail id and changes there in from time to time with the company and RTA.
6. **Details of Director seeking re-appointment at the forthcoming Annual General Meeting** (Pursuant to Clause 49 IV of the Listing Agreement)

As required under the Listing Agreement, the particulars of Director, Mr. A. Venkatramani (seeking re-appointment) is detailed below:-

Name - **A. Venkatramani**

Date of Birth - 04<sup>th</sup> April 1958

Qualification - Bachelor Degree in commerce

Experience –

A. Venkatramani is a commerce graduate promoter of Kaashyap Technologies Limited. Marketing and People Management is his forte. Starting his carrier as a Sales Manager with Hindustan Lever Limited he moved to become the Executive Director of Shriram Chits Private Limited and then moved to setup the present Kaashyap Technologies Limited. He has also produced several teleserials and movies. He has been appointed as Non – Executive Director of the Company. His experience and acumen will help the Company to grow manifold. He is the Chairman & Managing Director of Kaashyap Technologies Limited.

Mr. A. Venkatamani having been the part of leading corporate, team building has been his main strength and has successfully put in a professional team in the company for its smooth functioning.

Other Directorship - M/s. Kaashyap Technologies Limited.

M/s Eyclight Events & Promotions (India) Private Limited.

Other committee membership – Nil

### **EXPLANATORY STATEMENT**

#### **Under Section 173(2) of the Companies Act, 1956.**

##### **Item No.2:-**

As per the provisions of Section 256 of the Companies Act, 1956, Mr. A. Venkatramani is retiring by rotation and being eligible offer himself for re-appointment at the ensuing Annual General Meeting.

A notice has been received from a member as required under section-257 of the Companies Act, 1956 signifying his intention to propose the Candidature of Mr. A. Venkatramani to hold office of a Director.

Considering the Back ground, competency, wide experience of Mr. A. Venkatramani your Directors consider it, in the best interest of the company, to appoint him as a Director, liable to retire by Rotation as per the provisions of the Companies Act, 1956.

None of the Directors are concerned or interested in the said resolution except Mr. A. Venkatramani himself.

#### **IMPORTANT COMMUNICATION TO MEMBERS:**

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by the companies and has issued circulars stating that serving the Notice / documents including Annual Report can be send by e-mail to its members. To support this green initiative of the Government in full measures, members who have not registered their e-mail addresses so far are required to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in Physical form are required to register with the Company's Share Transfer Agent, Cameo Corporation Services Limited Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

**DIRECTORS' REPORT**

To

The Members,

Your Directors are pleased to present the 23<sup>rd</sup> annual report on the business and operations of your Company for the year ended on 31<sup>st</sup> March 2012.

<b>Particulars</b>	<b>Year ended 31.03.2012 (Rs. in Lakhs)</b>	<b>Year ended 31.03.2011 (Rs. in Lakhs)</b>
Turnover	335.23	1281.32
Profit (Loss) Before Depreciation & Tax	379.14	(44.86)
Less : Depreciation	32.72	85.41
Profit / (Loss) Before Tax	(411.86)	(130.27)
Less: Provisions for Tax	NIL	NIL
Less: Fringe Benefit Tax	NIL	NIL
Profit / (Loss) After Tax	(411.86)	(130.27)
Add: Surplus /(Deficit) from previous year	(9675.01)	(9544.74)
Loss carried over to Balance Sheet	(10086.87)	(9675.01)

**DIVIDEND**

Your Board has not recommended any dividend in view of the loss reported by the company due to loss incurred during the year under review.

**BUSINESS PERFORMANCE REVIEW:**

During the year 2011-12 your Company's turnover has been significantly reduced from Rs. 1281.32 lacs in 2010-11 to Rs. 335.23 lacs in 2011-12. During the year, your Company has taken a conscious decision of keeping the business activities of film production and distribution on a low key in the light of global recession which continues to hamper the world even though impact on our economy is not significant. As a result of lower volume of business your Company has not made profits even though losses were kept at a minimum of Rs.130.27 Lacs against Rs. 364.65 Lacs in the previous year.

**REPLY TO AUDITORS QUALIFICATION**

The Company is continuing the efforts to revive the web portal. The challenges by the way of appropriate development of the technology could be overcome in immediate future. Your Board of Director will undertake impairment study after exhausting all avenues of matching technology.

The Company is negotiating with intermediaries for recovery of investments made in media companies

**RECENT INITIATIVES AND FUTURE PROSPECTS:-**

Your Company is planning to expand its theatre division in a big way by investing in cineplexes /multiplexes. A chain of cineplexes is planned throughout the country especially in Maharashtra and Tamil Nadu to start with. The Company shall continue to focus on its core activities of film production and distribution and expand the business further to make it more viable and profitable. The Company shall explore every possible opportunity to leverage the film rights bank (14000 film rights) .

The Management of the Company started discussing with electronic media for dubbing some of the films rights and also for the telecasting of dubbed movies.

### **STATUTORY DISCLOSURES**

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

The Company is not engaged in any manufacturing activities, and as such the Particulars relating to conservation of energy and technology absorption is not applicable. The company makes every efforts to conserve energy as far as possible in its Theatre division production floor, offices etc.

#### **FOREIGN EXCHANGE EARNINGS AND OUTFLOW:**

<b>Earnings / outflow</b>	<b>2011-12</b>	<b>2010-11</b>
Foreign Exchange Earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL

#### **NON-PAYMENT OF INTEREST DUE ON FCCBS:**

Your Directors wish to report that there is a non payment of interest due for all quarters in 2011-12 on FCCBs due to dispute with FCCBs holders and your management is taking steps to settle the issue amicably through ongoing negotiations with the bond holders.

#### **PARTICULARS OF EMPLOYEE'S REMUNERATION AND INDUSTRIAL RELATIONS.**

There were no employees whose particulars, pursuant to Section 217(2A) of The Companies Act 1956, read with Companies (Particulars of Employees) Rules 1975, are to be disclosed. Industrial relations in the company were very cordial and stable.

#### **PUBLIC DEPOSITS**

Your Company has not accepted any public deposit during the year under review.

#### **DIRECTORS**

During the financial year, Mr. A. Prakashchandra Hegde (Director) resigned from the Board with effect from 25<sup>th</sup> May 2011 due to his pre occupation of office.

Mr. A. Venkatramani , a director of the Company, will retire in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

#### **NON HOLDING OF ANNUAL GENERAL MEETING**

Due to financial restructuring of the Company, the Company has not able to conduct the Annual General Meeting within the stipulated period of time as per the section 166(1) of the Act.

#### **AUDITORS**

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

#### **CORPORATE GOVERNANCE.**

For year 2012, the compliance report is provided in the Corporate Governance Report section of this Annual Report. The company has not complied with the provisions as to the composition of the Audit committee. Other conditions of the corporate Governance as stipulated in clause 49 of the listing Agreement are complied with. The Auditors' certificate on compliance with the mandatory recommendations of the committee is annexed to this report.

We have documented our internal policies on corporate governance. In line with the committee's recommendations, the management's discussions and analysis of the financial position of the company is provided in this annual report and is incorporated here by reference.

#### **DIRECTORS' RESPONSIBILITY STATEMENT.**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed.

- (1) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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
- (3) That the Directors 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 the Company and for preventing and detecting fraud and other irregularities.
- (4) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2012 on a 'Going concern' basis.

#### **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their deep sense of gratitude to the employees, our Bankers, Distributors, Exhibitors, Customers and Shareholders for their active co-operation during the year under review.

For and on behalf of The Board Of Directors

Sd/-  
**M.V.Balagiri**

Place: - Chennai

Chairman & Managing Director

Date: - 14<sup>th</sup> August 2012

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

*(i) Industrial Structure and development*

After two consecutive years of de-growth, when industry faced some of its most challenging and difficult times, 2011 brought back audiences to the cinema screens and cheers to the films industry. Despite the economy rebounding only slightly, increasing digitilisation, growth in multiplexes, films with differentiated content and revival of the TV syndication market led to growth of Indian films industry.

Even though India is the largest in terms of the number of films produced and the number of admissions it is only eighth largest when it comes to Box Office collection. This indicates the industry's continued inability to monetize its films better even though the film industry is coming of age with increased acceptance in overseas market.

The Last year and half has witnessed strong performance by films that have relied on strong and differentiated content. While Indian cinema is synonymous with Bollywood the regional film industry has continued to grow strong. The Indian film industry is witnessing rapid digitization of the cinema screens in the country and is enabling film producers to simultaneously release their films across the geography in the first week itself. As per our industry discussion about 70% of the screens currently operational in the country are already digitized and the industry expects remaining to be digitized by the end of 2013.

Social media has increasingly becoming an important tool for film production and marketers to promote films and gauge audience reaction before the release of the film. Apart from using social media, film producers are increasingly looking at innovative forms and media to market their films.

The home video segments its declining trend in 2011 and the first half of 2012 primarily due to piracy and the challenges in monetizing home video on digital platform. Revenues from the sales of film CDs and DVDs are shrinking due to people shifting to substitute particularly new age media platform. There is an increasing trend of films being viewed on personal devices (mobile phones and tablets), internet platform such as YouTube and DTH PPV model. The Year 2011 saw an increase in the viewership of both Hindi and English film channels. This has led to positive response from film broadcasters and advertisers. An increasing number of films with bankable stars are able to sell broadcasting right even before their release.

New multiplexes and growth in 3D screens will stimulate the box office market although the incremental impact of 3D is diminishing in some countries. 3D films in India are on a rise with a number of upcoming Bollywood releases set to be released in 3D. Multiplexes audiences are willing to pay 50 or 100 INR more for a good quality 3D film in India. However, given the quality of local 3D production and the fact that a three hour film with 3D glasses can be quite uncomfortable this trend may reverse in the near future.

Favorable demographic and an expanding box office market will boost cinema advertisement as well as the migrations to digital cinema by reducing the costs and complexities of screening advertisement. Cinema advertising is appealing because the audience is not distracted by electronic media and is focused on screen. Films also allow for longer ads than the 30 second or 60 second as seen on television. With most screens now digital, it is easier and less expensive for advertisers that may participate. While digital cinema in India is showing considerable growth, cinema advertising remains at a nascent stage. Advertiser is yet to assess the full potential of cinema advertising and the lack of any measurement mechanism or study to highlight its benefits has not helped the matter.

**Strengths**

**GV is one of the first to enter entertainment business as a corporate house and first public limited company who invited public participation in the hitherto private film production industry.**

- GV Films Limited has built a strong brand over the years and one of the reputed production houses in Tamil Nadu, with strong industry standing and relationship with artistes.
- Internet film rights of about around 5500 films of different Indian languages in addition to around 8000 Hollywood films recently added to the library . The Content Creation is the company's forte.
- Apart from the experience in areas of exhibition, the Company has several years of experience in film production and distribution and further perfected the technology of Film Making by using 3D technology.
- The Promoters have fair knowledge and rich experience in the industry and the company is managed by hard core professionals having hands on experience.
- The company has its presence in all segments of the entertainment chain like production, distribution, tele-series, animation and graphics, and screening through multiplex theaters.
- Owns 8 screens in Tamil Nadu and plans to open more in Tamil Nadu and Maharashtra.

### **Weaknesses**

- Being a corporate structure with set values and governance, at times it is difficult to compete with the industry practices as it is lying on un-organized sector of the Industry.
- Screening business i.e. construction of Multiplex theaters, hotels and shopping malls under GV Studio City projects also entail huge capital out lay and gestation period.
- The risk and reward of each type of business under taken by the company is different. The business of production and distribution is very risky and rewards are also very high.
- The entertainment business is highly competitive with too many new players entering the market.

### *(ii) Opportunities and Threats*

#### **Opportunities**

- GV Studio City Projects consisting of Multiplex & cineplexes shopping malls and food courts have excellent demand and potential for growth and the focus being on Tier II and tier III cities of India, the complex will be the landmark building in the town.
- with the country's economy booming, entertainment industry is also growing and the technological innovations like Digital, DTS, state of art multiplex theaters offer more choice to the screens and is bringing back masses to the theaters. Television serials is another big opportunity as the Company has proved its expertise in that field and have been nominated for international awards

#### **Threats**

- The conventional way of doing business by the un-organized sectors and still a part of the business being done by them in cash is a major issue to be addressed.

### *(iii) Segment-wise or product-wise performance*

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

<b>SR. No</b>	<b>Divisions</b>	<b>F.Y.2011-12 (Rs. Lacs)</b>	<b>Percentage</b>	<b>F.Y.2010-11 (Rs. Lacs)</b>	<b>Percentage</b>
1	Turnover from Film Division	15.22	4.53	667.10	52.06
2	Turnover from Theater Division	320.00	95.47	614.22	47.94
	<b>Total Income</b>	<b>335.22</b>	<b>100.00</b>	<b>1281.32</b>	<b>100.00</b>

(iv) Outlook, risks and concerns

In 2011, the Indian Media & Entertainment (M&E) Industry registered a growth of 12 percent over 2010, to reach INR 728 billion, says the FICCI-KPMG report. The growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,457 billion by 2016.

2011 has been a challenging year not just for the Indian M&E industry, or even the Indian economy, but for the larger world economy. While India is still expected to grow at a healthy pace, growth is projected to be lower than earlier expectations.

With several high budget Hindi releases lined up across the year, 2012 is expected to sustain the growth momentum witnessed in 2011. The Indian film industry is projected to grow at a CAGR of 10.1 percent to touch INR 150 Billion in 2016. The industry is estimated to be INR 93 billion in 2011 indicating a growth of 11.5 percent vis-à-vis 2010.

(v) Internal control systems and their adequacy

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

(vi) Financial performance Vs operational performance;

There was no improvements as compared to last year due to the various reasons mentioned in Director's Report. However considering the present economic environmental the company can look forward for better performance in the years to comes

(vii) Material developments in Human Resources

During the year, the Company has added employees at different levels in tune with the growth and expansion of the business in general and various divisions in particular. The Company enjoys harmonious relationship with its employees.

## **CORPORATE GOVERNANCE**

The Company submits its report on the matters mentioned in Clause 49 of the Listing Agreement with the Stock Exchanges as follows

### **Company's Philosophy on Code of Governance**

G V Film's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its shareholders, employees, the government and lenders, film artists and other members of the film production, distribution and exhibition team.

The Company is committed to achieving the highest standards of corporate governance.

G V Films believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

The Company upholds its relationship with society and hence its social responsibility of environmental safety and human welfare.

### **BOARD OF DIRECTORS**

During the financial year 2011-2012, Composition and category of Directors were as follows:

<b>Category</b>	<b>Name of the Director.</b>
Chairman & Managing Director (Executive Director)	Mr. M. V. BALAGIRI
Non Executive Director	Mr. A.VENKATRAMANI Mr. MAHADEVAN GANESH
Non-Executive and Independent Director	Mr. R.GOPALAN Mr. PRAKASHCHANDRA HEGDE*

*\*Resigned from the Board on 26.05.2011*

Attendance of each Director at the 6 Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various Companies :

<b>Name of the Director</b>	<b>Attendance Particulars</b>		<b>Number of directorship and committee member/chairmanship of other company</b>		
	<b>Board Meeting</b>	<b>Last AGM</b>	<b>Other Directorship</b>	<b>Committee Membership</b>	<b>Committee Chairmanship</b>
M.V.Balagiri	6	NO	5		
Mahadevan Ganesh	4	NO	2	1	-
A. Venkatramani	6	YES	2		-
R. Gopalan	6	YES	3	4	3
A. Prakashchandra Hegde	1	YES	4		

**Number of Board Meetings held and the dates on which held.**

Six Board Meetings were held during the year on the following dates:

30.05.2012, 12.08.2011, 14.11.2011, 14.02.2012, 07.03.2012 and 26.03.2012 .

**Profiles of Director retiring by rotation at the Annual General meeting.**

At the ensuing Annual General Meeting Mr. A. Venkatramani retires by rotation and being eligible, offer himself for re-appointment. Pursuant to Clause 49(IV)(G) of the Listing Agreements relating to Code of Corporate Governance, particulars of the aforesaid director is given below:-

Name - **A. VENKATRAMANI**

Date of Birth - 04<sup>th</sup> April 1958

Qualification - Bachelor Degree in commerce

Experience –

A. Venkatramani is a commerce graduate promoter of Kaashyap Technologies Limited. Marketing and People Management is his forte. Starting his carrier as a Sales Manager with Hindustan Lever Limited he moved to become the Executive Director of Shriram Chits Private Limited and then moved to setup the present Kaashyap Technologies Limited. He has also produced several teleserials and movies. He has been appointed as Non – Executive Director of the Company. His experience and acumen will help the Company to grow manifold. He is the Chairman & Managing Director of Kaashyap Technologies Limited

Other Directorship - M/s. Kaashyap Technologies Limited

M/s Eyclight Events & Promotions (India) Private Limited

Other committee membership – Nil

**AUDIT COMMITTEE**

The Company has not complied with the provisions of clause 49 of the Listing Agreement as to the composition of the Audit committee. The Company has an Audit Committee comprising of one independent Non-Executive Director and one Non Executive Director, as members. This is not in accordance with the provisions of clause 49 of the Listing Agreement. This is due to Resignation of Mr. A. Prakashchandra Hegde from the board.

During the year under review the Audit Committee reconstituted on 30<sup>th</sup> May 2011 due to Resignation of Mr. A. Prakashchandra Hegde an Independent Non Executive Director from the Board. However Mr. Mahadevan Ganesh a Non-Executive Director was inducted as member of the committee.

The Audit Committee has met four times on 30.05.2011, 13.08.2011, 12.11.2011 and 14.02.2012 during the financial year under review.

The Committee is vested with following powers as per the terms of reference as prescribed under relevant provisions Section 292A of the Companies Act, 1956 and Listing agreements of Stock Exchanges

**Powers:**

The Audit Committee is empowered, pursuant to its terms of reference, to

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal and other professional information.
- secure attendance of outsiders with relevant expertise, if it consider necessary

**Terms of Reference:**

- a. Overview of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors.

**Shareholders'/Investors' Grievance Committee**

The Committee consists of Mr. Mahadevan Ganesh, Mr. R Gopalan and Mr.A.Venkatramani and Committee oversees and reviews all matters connected with the securities transfers.

The committee also looks into redressing of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to the Share Transfer Committee.

The total number of complaints which were received and replied to the satisfaction of shareholders during the year under review were Seven Outstanding complaints as on 31<sup>st</sup> March, 2012 were Nil and Nil requests for dematerialization were pending for approval as on 31<sup>st</sup> March, 2012.

**Remuneration of Directors****Details of Remuneration of the Directors for the financial year ended 31<sup>st</sup> March, 2012.**

Director.	Consolidated Salary. (Rs.)	Perquisites and other Benefits. (Rs.)	Performance Bonus/ Commission (Rs.)	Sitting Fees.(Rs.)	Total.(Rs.)
M.V.Balagiri	NIL	NIL	NIL	NIL	NIL
Mahadevan Ganesh	NIL	NIL	NIL	25000	
A.Venkatramani	NIL	NIL	NIL	30000	30000
R.Gopalan	NIL	NIL	NIL	30000	20000
A.PrakashChandra Hegde*	NIL	NIL	NIL	5000	5000

\*Resigned from the Board w.e.f. 26.05.2011

## DISCLOSURES

### CODE OF CONDUCT

The Board of Directors has laid down code of conduct for Directors and Senior Management personnel. A copy of the Code of Conduct is available on the web site of the company [www.gvfilms.com](http://www.gvfilms.com). All the Board of Directors and Senior Management personnel have affirmed the compliance with the Code of Conduct

- The necessary disclosures regarding the transactions with Related Parties are given in the notes to the accounts. None of these transactions have potential conflict with the interest of the Company in large.
- The company has followed the guidelines of Accounting standards laid down by the Institute of Chartered Accountant of India (ICAI) in preparations of its financial statements.
- The company has complied with the requirement of regulatory authorities on capital markets and no penalties/ strictures have been imposed against it in the last three years on any related to Capital Markets.
- The company does not have Whistle Blower policy. However no personnel has been denied access to the Audit Committee of the Company.
- The Company has adopted procedures for Risk Assessment & Minimization.
- The company has complied with all mandatory requirements of the Clause -49 of the Listing Agreement and the Non – Mandatory requirements.

### MEANS OF COMMUNICATION

The Half-Yearly and Quarterly results are published in the Trinity Mirror and Makkal Kural.

The above results are also hosted on the company website [www.gvfilms.com](http://www.gvfilms.com).

Management discussion and analysis has been made a part of the annual report

### SUBSIDIARY

Your Company has one subsidiary named as M/s GV Studio City Limited in which company holds 100% stake.

### POSTAL BALLOT

At their meeting in 26<sup>th</sup> March, 2012, the Board of Directors have directed a postal ballot to be undertaken for obtaining the consent of the shareholders for the following:-

In terms of section 293(1)(a) of the Companies Act, 1956, to transfer the Ganga, Gowri and Gayatri theatre complex at No. 1, Thalayattam Bazar, Gudiyattam – 632602, Tamilnadu under the Studio City division of the company engaged in the business of exhibitions of films by way of lease, sale or otherwise disposal of the said theatres for the consideration and w.e.f such date as the Board of Directors of the company may deemed fit.

The postal ballot notice alongwith the notice & Explanatory statement were dispatched to all the Members on 3<sup>rd</sup> April, 2012 and last date for submission of ballot duly filled in was 3<sup>rd</sup> May, 2012. The postal ballot results i.e approval of resolution by majority vote was announced by the chairman on 5<sup>th</sup> May, 2012 based on the report of the scrutinisers

### GENERAL BODY MEETINGS

Location and time for last Three Annual General Meetings

Year	AGM	Location	Date	Time
2007-2008	AGM	NewWoodlands Hotel (P) Ltd,72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004	25.09.2008	11.00A.M.
2008-2009	AGM	NewWoodlands Hotel (P) Ltd,72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004	30.09.2009	11.00A.M.
2009-2010	AGM	NewWoodlands Hotel (P) Ltd,72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004	24.09.2010	12.15 P.M.

### GENERAL SHAREHOLDERS INFORMATION

Sl. No.	Particulars	Description
1	Financial Calendar	Year Ended March 31, 2012
2	Book Closure Date	12 <sup>th</sup> April, 2013 to 19 <sup>th</sup> April, 2013 (Both days inclusive)
3	Listed Stock Exchange	The Madras Stock Exchange Ltd, Chennai The Bombay Stock Exchange Ltd, Mumbai.
4	Registrar & Transfer Agents (share transfer and communication regarding share certificates and change of address	<b>M/s. Cameo Corporate Services Ltd</b> Unit: <i>GV Films Ltd.</i> V Floor, Subramanian Building. No.1, Club House Road. Chennai- 600002. Tel : (044) 28460390/391 Fax No. (044) 28460129 Email : <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a> Website : <a href="http://www.cameoindia.com">www.cameoindia.com</a>
5	Share Transfer System	Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 21 days from the date of receipt, subject to the documents being valid and complete in all respects. In case the transferee does not wish to dematerialize the shares, the Company will dispatch the share Certificates.
6	Dividend Payment Date	No dividend is declared
7	Stock Code	Scrip Name : GVFL Scrip Code : 523277

<b>8</b>	<b>Market Price data</b>	<b>Annexed</b>
<b>9</b>	<b>Address for Correspondence</b>	New No-20, Old No-27, PushpaNagar first Street, Nungambakkam, Chennai - 600034, Tamil Nadu Phone No. (044) 43099962/63 Fax No. (044) 42101785 Email: gvfilms@vsnl.com
<b>10.</b>	<b>ISIN</b>	INE395B01030
<b>11.</b>	<b>AGM</b>	23 <sup>rd</sup> Annual General Meeting
<b>12.</b>	<b>Quarterly Results (Tentative)</b> For the Quarter ending 30 <sup>th</sup> June 2011 For the Quarter ending 30 <sup>th</sup> September 2011 For the Quarter ending 31 <sup>st</sup> December 2011 For the Quarter ending 31 <sup>st</sup> March 2012	Second week of August 2011 Second week of November 2011 Third week of February 2012 Third week of May 2012
<b>13.</b>	<b>Dematerialization of Shares</b>	About 95.04% (i.e. 350353623 shares) of the outstanding shares have been dematerialised as on 31 <sup>st</sup> March 2012. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f 25th September 2000 as per notification issued by the Securities and Exchange Board Of India.(SEBI).
<b>14.</b>	<b>Any query on Annual Report</b>	M/s G V Films Limited, Secretarial Department New No-20, Old No-27, PushpaNagar first Street, Nungambakkam, Chennai - 600034, Tamil Nadu. Phone No.(044) 43099962/63. Fax No. (044) 42101785. Email : gvfilms@vsnl.com
<b>15.</b>	<b>For Investor Correspondence for</b>	<b>M/s. Cameo Corporate Services Ltd</b> Unit: <i>GV Films Ltd.</i> V Floor, Subramanian Building. No.1, Club House Road. Chennai-600002. Tel : (044) 28460390/391

#### **V.CEO/CFO CERTIFICATION**

A certificate from the Chairman and Managing Director / Chief Executive Officer on the financial statements of the Company was placed before the board

**Distribution of Shareholding as on 31<sup>st</sup> March 2012****Stock Market Data:**

Shareholding Rs.	Shareholders		Share Amount	
	Nos.	% of Total	Amounts in Rs.	% of Total
10-5000	70967	70967	171876830	4.6626
5001-10000	25267	18.8716	231963060	6.2926
10001-20000	14943	11.1607	252589870	6.8521
20001-30000	6072	4.535	162374970	4.4048
30001-40000	2800	2.0912	104070130	2.8231
40001-50000	3984	2.9755	194360890	5.2725
50001-100000	5170	3.8614	405849040	11.0097
100001-And Above	4686	3.4999	2163193540	58.6823
<b>Total</b>	<b>137856</b>	<b>100.00</b>	<b>3686278330</b>	<b>100.00</b>

Months	Bombay Stock Exchange	
	High(Rs.)	Low(Rs.)
<b>April 2011</b>	1.15	0.83
<b>May 2011</b>	0.96	0.80
<b>June 2011</b>	0.97	0.79
<b>July 2011</b>	0.86	0.75
<b>August 2011</b>	0.77	0.58
<b>September 2011</b>	0.70	0.59
<b>October 2011</b>	0.69	0.58
<b>November 2011</b>	0.66	0.53
<b>December 2011</b>	0.66	0.50
<b>January 2012</b>	0.72	0.49
<b>February 2012</b>	0.71	0.58
<b>March 2012</b>	0.68	0.52

**Dematerialization of shares and liquidity:-**

Equity shares of Rs.10/- each are under demat form constituting 95.04% of the paid up equity as on 31<sup>st</sup> march 2012.the shares are actively traded and liquid at Bombay Stock Exchange Limited.

Particulars	NSDL	CDSL	PHYSICAL	TOTAL
No Of Shares	22,32,83,284	12,70,70,339	1,82,74,210	3,68,627,833

**SHAREHOLDING PATTERN OF THE COMPANY AS ON 31.03.2012**

S.N O	CATAGORY	NO OF SHAREHOLDERS	TOTAL SHARES	% TO EQUITY
1	PROMOTERS AND PROMOTERS GROUP	0	0	0
2	FINANCIAL INSTITUTIONS / BANKS	5	702100	0.19
3	TRUSTS	2	1011	0.00
4	FOREIGN INSTITUTIONAL INVESTORS	1	16492833	4.4741
5	MUTUAL FUNDS	0	0	0
6	BODY CORPORATES	946	33299780	9.03
7	Individual shareholders holding nominal share capital up to Rs. 1 lakh	126154	145643391	39.51
8	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4192	156373250	42.42
9	Clearing Members	43	110361	0.03
10	HUF	2242	12160882	3.130
10	NON RESIDENT INDIANS	303	3845223	1.104
11	OCB	1	11	0.0002
12	SHARES HELD BY CUTODIANS AND AGAINST DEPOSITORY RECEIPTS HAVE BEEN ISSUED	0	0	0
	<b>TOTAL</b>	<b>137856</b>	<b>368627833</b>	<b>100.00</b>

**DECLARATION OF CODE OF CONDUCT**

To

The members of M/s GV Films Limited

This is to confirm that the board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct has also been posted on the web site of the Company.

It is further confirmed that all the directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the company for the year ended 31<sup>st</sup> March 2012, as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

For **GV FILMS LIMITED**

Sd/-

**M.V.Balagiri**

Place: - Chennai

Chairman & Managing Director

Date: -14<sup>th</sup> August 2012

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR OF M/s GV FILMS LIMITED**

I, M. V. Balagiri, Chairman & Managing Director of **M/s GV FILMS LIMITED** (the Company), to the best of our knowledge and belief certify that:-

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statement and Director's Report.
  - a. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact 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 existing accounting standards, applicable laws and regulations.
2. I also certify, that based on our knowledge and the information provided to me, there are no transactions entered into by M/s GV Films Ltd., which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls and procedures for the Company pertaining to financial reporting, and have evaluated the effectiveness of these procedures in M/s GV Films Ltd. I have disclosed to the auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which I am aware and the steps that i have taken or propose to take to rectify these deficiencies.
4. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors:-
  - a. Significant changes in internal controls 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. Instances, if any, of significant fraud of which i 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.
5. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
  6. I further declare that all the Board members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Sd/-  
**M.V.Balagiri**

Place: - Chennai

Chairman & Managing Director

Date: - 14<sup>th</sup> August 2012

### **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

**GV Films Limited,**

We have examined the compliance of the conditions of Corporate Governance by GV Films Limited (the Company) for the year ended 31 .03. 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges

The Compliance of conditions of Corporate Governance is the responsible of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that subject to the **non compliance of the composition of Audit committee**, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

**For R.Ravindran and Associates**  
**Chartered Accountant**

Chennai 14<sup>th</sup> August 2012

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

**AUDITOR'S REPORT**

To

**The Members of GV FILMS LIMITED**

Chennai

1. We have audited the attached Balance Sheet of M/s. **GV FILMS LIMITED** as at 31st March 2012 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO 2003) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:

**Subject to non recognition of impairment in advances for capex of Rs 27,22,70,344/- and intangible asset under development Rs.143,24,79,586/-**

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the balance sheet, profit and loss account and the cash flow statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act, 1956
- e. On the basis of written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director of the company is disqualified from being appointed as a director under clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.
- f. And In our opinion and according to the best of our information, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India ;
  - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
  - ii. in the case of the Profit and Loss Account of the Loss of the Company for the year ended on that date and
  - iii. in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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

(Sd/-)

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

Chennai, 14<sup>th</sup> August, 2012

**ANNEXURE REFERRED TO IN PARAGRAPH I OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF GV FILMS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.**

**1) Fixed Assets:**

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

**2) Inventory:**

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

**3) Loan to/from directors and interested parties**

- In our opinion and according to the information and explanations given to us, the Company has granted loans to the extent of Rs.63,630/- during the year to Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.
- The company has taken loans, secured or unsecured, to the extent of Rs. 22,52,02,123 from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

**4) Internal Control**

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

**5) Transaction covered by section 301**

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

**6) Deposit from Public**

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

**7) Internal Audit**

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

**8) Cost Accounting Records**

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

**9) Statutory Dues**

According to the information and explanations given to me, the company has undisputed statutory dues amounting to Rs 9,89,433.

**10) Cash Loss**

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

**11) Repayment of dues**

As at the year end, the company has interest overdue of Rs 101,35,256/- to FCCB holders and is subject to dispute.

**12) Defaults to financial Institutions**

As per information and records produced there are no loans from financial institutions as on 31<sup>st</sup> March 2012.

**13) Loans and Advances on the basis of securities**

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

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

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

**15) Trading in shares, securities debentures and other investments**

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

**16) Guarantee given for others**

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

**17) End use of term loans**

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

**18) Short term Funds**

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

**19) Preferential allotment of shares**

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

**20) Debentures**

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

**21) End use of public issue proceeds**

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

**22) Reporting of Frauds**

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

**For R. Ravindran & Associates**

Chartered Accountants

Firm Registration No. 003222S

(Sd/-)

**R. Ravindran**

Proprietor

M. No. 023829

Chennai, 14<sup>th</sup> August, 2012

**GV FILMS LIMITED**

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	3 68 62 78 330	3 68 62 78 330
(b) Reserves & Surplus	4	( 7 57 64 788)	( 3 45 78 890)
(c) Money Received Against Share Warrants			
<b>Share Application money pending allotment</b>			
<b>Non-Current Liabilities</b>			
(a) Long term borrowings			
(b) Deferred Tax liabilities (net)			
(c) Other long term liabilities			
(d) Long term provisions	5	19 57 223	13 58 038
<b>Current Liabilities</b>			
(a) Short term borrowings	6	29 72 74 257	13 57 56 853
(b) Trade payables	7	13 18 23 803	1 80 74 363
(c) Other Current liabilities	8	23 12 81 138	17 00 83 631
(d) Short term provisions	9	31 74 067	30 40 590
		<b>4 27 60 24 030</b>	<b>3 98 00 12 915</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible assets		4 64 43 468	4 96 90 097
(ii) Intangible Assets			
(iii) Capital Work in Progress			
(iv) Intangible assets held under development		1 43 24 79 586	1 43 24 79 586
(b) Non Current Investments	11	15 21 73 460	15 21 73 460
(c) Deferred Tax Assets (Net)	12	11 64 657	11 64 657
(d) Long term Loans & Advances	13	54 16 15 137	27 28 84 026
(e) Other Non-Current Assets			
<b>Current Assets</b>			
(a) Current investments			
(b) Inventories	14	1 98 55 12 421	1 98 53 92 421
(c) Trade receivable	15	6 26 74 327	1 66 85 446
(d) Cash and Cash equivalent	16	44 32 906	11 10 339
(e) Short term Loans & Advances	17	3 39 59 401	5 29 08 806
(f) Other Current Assets	18	1 55 68 669	1 55 24 076
		<b>4 27 60 24 030</b>	<b>3 98 00 12 915</b>

**See accompanying notes to the financial statements**

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

**GV FILMS LIMITED**

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
I. Revenue from Operations	19	3 35 23 008	12 81 32 152
II. Other Income	20	15 55 431	5 80 11 538
<b>III. Total Revenue (I + II)</b>		<b>3 50 78 439</b>	<b>18 61 43 690</b>
IV. Expenses:			
Film Production expenses	21	1 20 000	-
Change in inventories	22	( 1 20 000)	10 84 86 695
Employee Benefit Expense	23	69 94 363	1 55 57 565
Finance Cost	24	85 53 349	88 21 344
Depreciation & Amortization expense	10	32 72 109	85 41 016
Other Expenses	25	5 74 44 515	5 77 63 770
<b>Total expenses</b>		<b>7 62 64 336</b>	<b>19 91 70 389</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(4 11 85 897)	(1 30 26 700)
VI. Exceptional Items			
VII. Profit before extra-ordinary items (V-VI)		(4 11 85 897)	(1 30 26 700)
VIII. Extra-ordinary items			
IX. Profit before tax (VII-VIII)		(4 11 85 897)	(1 30 26 700)
X. Tax expense :			
1. Current Tax			-
2. Deferred Tax Liability			
XI. Profit (Loss) for the period from continuing operations (IX-X)		(4 11 85 897)	(1 30 26 700)
XII. Profit (Loss) for the period from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit (Loss) for the period from discontinuing operations (After Tax) (XII-XIII)			
XV. Profit (Loss) for the period (XI + XIV)		(4 11 85 897)	(1 30 26 700)
XVI. Earning Per Equity Share :			
(1) Basic		-	-
(2) Diluted			

See accompanying notes to the financial statements

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
 Director

Sd/-  
**R. Gopalan**  
 Director

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

Chennai, 14th August, 2012

G V FILMS LIMITED

NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
3	<b><u>SHARE CAPITAL</u></b>		
	<b>Authorised</b>		
	200,00,00,000 Equity Shares of Rs 10/- each	20 00 00 00 000	20 00 00 00 000
	<b>Issued</b>		
	36,86,27,833 Equity Shares of Rs 10/- each	3 68 62 78 330	3 68 62 78 330
	<b>Subscribed &amp; Paid up</b>		
	36,86,27,833 Equity Shares of Rs.10/- each	3 68 62 78 330	3 68 62 78 330
		<b>3 68 62 78 330</b>	<b>3 68 62 78 330</b>

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

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

	31st March 2012	
	Number	Value in Rs.
<b>Authorised</b>		
Equity Shares of Rs 10/- each	2 00 00 00 000	20 00 00 00 000
<b>Issued</b>		
Equity Shares of Rs 10/- each	36 86 27 833	3 68 62 78 330
<b>Subscribed &amp; Paid up</b>		
Equity Shares of Rs.10 each fully paid	36 86 27 833	3 68 62 78 330
	<b>36 86 27 833</b>	<b>3 68 62 78 330</b>

	31st March 2011	
	Number	Value in Rs.
<b>Authorised</b>		
Equity Shares of Rs 10/- each	2 00 00 00 000	20 00 00 00 000
<b>Issued</b>		
Equity Shares of Rs 10/- each	36 86 27 833	3 68 62 78 330
<b>Subscribed &amp; Paid up</b>		
Equity Shares of Rs.10 each fully paid	36 86 27 833	3 68 62 78 330
	<b>36 86 27 833</b>	<b>3 68 62 78 330</b>

Note	Particulars	31st March 2012 Rs,	31st March 2011 Rs,
3.2	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		
		31st March 2012	
		Number	Value in Rs.
	Shares outstanding at the beginning of the year	36 86 27 833	3 68 62 78 330
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	36 86 27 833	3 68 62 78 330
		31st March 2011	
		Number	Value in Rs.
	Shares outstanding at the beginning of the year	36 86 27 833	3 68 62 78 330
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	36 86 27 833	3 68 62 78 330
3.3	No shareholder holds more than 5% of total paid-up share capital of the company.		
4	<b>RESERVES &amp; SURPLUS</b>		
	<b>Securities Premium Account</b>		
	Opening Balance	86 13 88 700	86 13 88 700
	Add : Securities premium credited on Share issue	-	-
	Less : Premium Utilised for various reasons	-	-
	Premium on Redemption of Debentures	-	-
	For Issuing Bonus Shares	-	-
	Closing Balance	86 13 88 700	86 13 88 700
	<b>Other Reserves</b>		
	Opening Balance	7 15 33 466	7 15 33 466
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	-
	Closing Balance	7 15 33 466	7 15 33 466
	<b>Surplus</b>		
	Opening balance	(96 75 01 056)	(95 44 74 356)
	(+) Net Profit/(Net Loss) For the current year	(4 11 85 897)	(1 30 26 701)
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	(100 86 86 953)	(96 75 01 056)
	<b>Total</b>	<b>(7 57 64 788)</b>	<b>(3 45 78 890)</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for employee benefits		
	Gratuity (unfunded)	19 57 223	13 58 038
	<b>Total</b>	<b>19 57 223</b>	<b>13 58 038</b>
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
	Secured loans from bank		
	State Bank of India, Kilpauk Branch, Chennai.		2 49 54 051
			<b>2 49 54 051</b>
6.1	Term Loan of Rs.3.00 Crores was obtained from State Bank of India on 20.02.10 on the terms of repayment of Principal of Rs.37.50 Lakhs payable quarterly with monthly interest @ 14.25% on loan outstanding with penal interest @ 2% if delay exceeds 60 days - against security by way of hypothecation of Gudiyatham theatre.		
6.2	The loan account stands closed on 20.02.2012.		
	Unsecured		
	Loans and advances from related parties	27 78 68 653	6 55 58 245
	Deposits	81 00 000	16 00 000
	Other loans and advances	1 13 05 604	4 36 44 557
		<b>29 72 74 257</b>	<b>11 08 02 802</b>
	<b>Total</b>	<b>29 72 74 257</b>	<b>13 57 56 853</b>
6.3	Loans and advances from related parties :		

Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance
M.V.Balagiri	CMDirector	20 50 000		20 50 000	
Mahadevan Ganesh	Director	1 07 59 129	50 000		1 08 09 129
Ram Kaashyap Investment Ltd.	Common Director - Mr. A.Venkatramani	30 216			30 216
Southside Hotels & Resorts Ltd.	Common Director - Mr. Mahadevan Ganesh	1 22 45 185	1 90 92 000		3 13 37 185
Sidhesh Enterprises	Firm of CMDirector	2 67 00 000	20 60 60 123	19 50 000	23 08 10 123
Sidhesh Films	Firm of CMDirector	46 35 000			46 35 000
Usha Venkatramani	Wife of Director	2 47 000			2 47 000
GV Studio City Ltd.	Subsidiary	88 91 715		88 91 715	
<b>Total</b>		<b>6 55 58 245</b>	<b>22 52 02 123</b>	<b>1 28 91 715</b>	<b>27 78 68 653</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
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6.4 Deposits

Party	Nature of deposit	Date of deposit/ Renewal	Date	Amount	Term	Rate of interest
<b>Tanjore Theatres</b>						
Sivakumar	Rent Advance	01/06/2011		6000000	June.11-May.12	Nil
K.Karthikeyan	Rent Advance	01/10/2011		100000	Oct.11-Sept.12	Nil
Sanjeev Kumar	Rent Advance	01/10/2011		400000	Oct.11-Sept.12	Nil
<b>Gudiyatham Theatres</b>						
A.M.Raja	Rent Advance	01/10/2011		1500000	Oct.11-Sept.12	Nil
Thirunavukkarasu	Rent Advance	01/07/2011		100000	July.11- June,12	Nil
<b>Total</b>				<b>8100000</b>		

7 TRADE PAYABLE

Trade payable	13 18 23 803	1 80 74 363
<b>Total</b>	<b>13 18 23 803</b>	<b>1 80 74 363</b>

The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2012.

8 OTHER CURRENT LIABILITIES

Interest accrued and due on borrowings	1 01 35 256	94 68 549
Capital advance	3 89 00 000	
Other creditors payable	18 22 45 882	16 06 15 082
<b>Total</b>	<b>23 12 81 138</b>	<b>17 00 83 631</b>

8.1 Other creditors payable includes dues to holder of FCCB of Rs.18,22,45,882/- which is subject to dispute.

8.2 Interest is Rs.1,01,35,256/- provided after the due date till the end of reporting period at the rates already stipulated in the terms of bond issue.

8.3 Capital advance of Rs.3,89,00,000/- is the advance received for sale of Gudiyatham theatre. Total consideration for the sale is Rs.7,25,00,000/-

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	<u>Provision for employee benefits</u>		
	Salary & Reimbursements	7 40 777	10 12 229
	<u>Statutory dues</u>		
	Contribution to PF	1 19 073	49 146
	ESI payable	20 071	7 477
	Labour Welfare Fund	133	
	Professional Tax	17 105	17 105
	Property Tax	2 93 696	
	Tax deducted at source	9 04 941	10 36 108
	<u>Provision for Tax</u>		
	Fringe Benefit Tax	6 07 701	6 07 701
	<u>Provision for expenses</u>		
	Staff Life Insurance Premium		13 014
	Electricity	1 72 760	
	Audit fee	2 97 810	2 97 810
	<b>Total</b>	<b>31 74 067</b>	<b>30 40 590</b>

**11 NON-CURRENT INVESTMENTS (Valued at Cost)**

	Number	Value	Number	Value
<b>(a) investment in Equity Instruments:</b>				
<b>Quoted</b>				
GSFC	18800	188000	18800	188000
<b>Unquoted</b>				
subsidiary Companies				
Extent of holding: 100%				
GV Studio City Limited	1 50 50 000	15 05 00 000	1 50 50 000	15 05 00 000
<b>Others</b>				
Pixel Box Office Pte. Ltd., Singapore(@Sing.\$ 1/each	481000	1476964	481000	1476964
<b>(b) investment in Debentures/Bonds</b>				
<b>Quoted</b>	(Units)		(Units)	
Unit Trust of India	792	8496	792	8496
<b>Total</b>		<b>15 21 73 460</b>		<b>15 21 73 460</b>

**12 DEFERRED TAX ASSET**

Deferred Tax Asset	11 64 657	11 64 657
<b>Total</b>	<b>11 64 657</b>	<b>11 64 657</b>

In the absence of virtual certainty, current provision for deferred tax asset is not recognised.

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>13</b>	<b>LONG TERM TERM LOANS AND ADVANCES</b>		
	<b>a. Capital Advances</b>		
	Unsecured, considered good		
	Advance for capex	36 58 28 648	9 70 00 000
	Advance for investments	17 52 70 344	17 52 70 344
		<b>54 10 98 992</b>	<b>27 22 70 344</b>
	<b>b. Security Deposits</b>		
	Unsecured, considered good	2 89 395	2 89 395
	Unsecured, considered Doubtful	39 050	39 050
		<b>3 28 445</b>	<b>3 28 445</b>
	<b>c. Other loans and advances</b>		
	Unsecured, considered good	1 87 700	2 10 700
	Unsecured, considered Doubtful		74 537
		<b>1 87 700</b>	<b>2 85 237</b>
	<b>Total</b>	<b>54 16 15 137</b>	<b>27 28 84 026</b>
<b>14</b>	<b>INVENTORIES</b>		
	a. Work-in-progress (Film Production)	35 85 13 512	35 83 93 512
	b. Stock-in-trade (Film Rights)	1 62 69 98 909	1 62 69 98 909
	<b>Total</b>	<b>1 98 55 12 421</b>	<b>1 98 53 92 421</b>
14.1	Film rights are valued at the lower of cost or net realisable values. The net realisable values are market values estimated by the management on film by film basis, as at the end of the reporting period.		
14.2	Work in Progress of films is stated at the accumulated costs.		
<b>15</b>	<b>TRADE RECEIVABLES</b>		
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	4 30 802	11 52 246
	Unsecured, considered doubtful	1 83 749	3 412
		<b>6 14 551</b>	<b>11 55 658</b>
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	6 03 37 331	8 37 609
	Unsecured, considered doubtful	17 22 446	1 46 92 179
		<b>6 20 59 777</b>	<b>1 55 29 788</b>
	<b>Total</b>	<b>6 26 74 327</b>	<b>1 66 85 446</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
16	<b>CASH AND CASH EQUIVALENTS</b>		
	a. Balances with banks	34 85 925	8 61 234
	b. Cash on hand	9 46 980	2 49 105
	<b>Total</b>	<b>44 32 906</b>	<b>11 10 339</b>

Bank balance includes:

- (i) Bank deposits with more than 12 months maturity of Rs.7,63,579/-  
(ii) Rs.1,07,520/- In inoperative accounts.

**17 SHORT TERM LOANS AND ADVANCES**

**a. Loans and advances to related parties □**

Unsecured, considered good	52 26 518	1 07 80 071
	<b>52 26 518</b>	<b>1 07 80 071</b>

**b. Others**

Unsecured, considered good	2 57 49 883	2 75 11 497
Doubtful	29 83 000	1 46 17 238
	<b>2 87 32 883</b>	<b>4 21 28 735</b>

<b>Total</b>	<b>3 39 59 401</b>	<b>5 29 08 806</b>
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Loans and advances to related parties:

Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance
Ardent Petroleum Pvt. Ltd.	Common Director - Mr. Mahadevan Ganesh		4 350		4 350
Euro Asia Infra Development Corporation Ltd.	Common Director - Mr. Mahadevan Ganesh	18 946	10 780		29 726
Ram Kaashyap Investment Ltd.	Common Director - Mr. A.Venkatramani		48 500		48 500
Eyelight Events & Promotions (I) P.Ltd	Common Director - Mr. A.Venkatramani	68 88 720		45 50 015	23 38 705
GV Corporation Ltd.	Common Director - Mr. Mahadevan Ganesh	35 646			35 646
Space Hospitals Ltd.	Relative of Key Management Personnel	4 20 025			4 20 025
GV Studio City Ltd.	Subsidiary	34 16 734		10 67 168	23 49 566
<b>Total</b>		<b>1 07 80 071</b>	<b>63 630</b>	<b>56 17 183</b>	<b>52 26 518</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
	<u>Loans and advances-others</u>		
	Unsecured, considered good		
	Trade advances	46 29 884	53 78 491
	Advance to employees	93 000	5 77 397
	Other advances	2 10 26 999	2 15 55 609
		<b>2 57 49 883</b>	<b>2 75 11 497</b>
	<u>Loans and advances-others</u>		
	Unsecured, considered doubtful		
	Trade advances	29 83 000	1 46 17 238
	Advance to employees		
	Other advances		
		<b>29 83 000</b>	<b>1 46 17 238</b>
		<b>2 87 32 883</b>	<b>4 21 28 735</b>
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	Preliminary expenses not written off	1 43 35 772	1 43 35 772
	TDS on Income	11 94 050	11 88 304
	Input Service Tax	38 847	
	<b>Total</b>	<b>1 55 68 669</b>	<b>1 55 24 076</b>
	<u>Preliminary expenses not written off</u>		
	a. Fee for increase of authorised capital	35 49 300	
	b. Rights Issue expenses	33 29 092	
	c. Trade Mark expenses	5 000	
	d. Acquisition expenses	74 52 380	
		<b>1 43 35 772</b>	
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Film Rights	15 22 500	9 02 85 000
	Theatre Collections	3 20 00 508	3 78 47 152
	<b>Total</b>	<b>3 35 23 008</b>	<b>12 81 32 152</b>
	Previous year income comprises profit on sale of Tanjore theatres		
<b>20</b>	<b>OTHER INCOME</b>		
	Interest earned	57 450	15 553
	Rent & Maintenance charges	9 92 871	
	Miscellaneous Income	5 05 110	5 79 95 985
	<b>Total</b>	<b>15 55 431</b>	<b>5 80 11 538</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>21</b>	<b>FILM PRODUCTION EXPENSES</b>		
	Film Production		
	Untitled film (by Manohar)	20 000	-
	Untitled film (by Bose Venkat)	1 00 000	-
	<b>Total</b>	<b>1 20 000</b>	<b>-</b>
<b>22</b>	<b>CHANGES IN INVENTORIES</b>		
	Opening Stock - Films	1 98 53 92 421	2 09 38 79 116
	Less: Closing Stock	1 98 55 12 421	1 98 53 92 421
	Changes in inventories ((increase)/Decrease	<b>( 1 20 000)</b>	<b>10 84 86 695</b>
	<u>Closing Stock</u>		
	Overseas Film Rights	146 44 77 345	146 44 77 345
	Film in progress	45 08 85 076	45 06 54 776
	Other film rights	7 01 50 000	7 02 60 300
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salary & Wages	55 28 442	1 43 08 350
	Contribution to Provident Fund	3 92 555	4 26 853
	Contribution to Employee State Insurance	95 421	1 07 102
	Contribution to Labour Welfare Fund	224	5 338
	Leave encashment		2 900
	Ex-gratia & Bonus	2 58 781	66 700
	Gratuity	7 18 940	6 40 322
	<b>Total</b>	<b>69 94 363</b>	<b>1 55 57 565</b>
<b>24</b>	<b>FINANCE COST</b>		
	Interest on loans	85 53 349	88 21 344
	<b>Total</b>	<b>85 53 349</b>	<b>88 21 344</b>

Interest

Payee	Loan outstanding(Rs)	Period of interest	Secured/ Unsecured	Interest (Rs.)	Remarks
State Bank of India, Kilpauk Branch, Chennai	2 49 54 051	01.04.11 to 07.02.12 (being the date of closure of loan a/c)	Secured	37 86 271	Term Loan Interest @ 13.75%
GV Studio City Ltd. (Subsidiary)	Periodical outstanding balance	01.04.11 to 31.03.12	Unsecured	9 78 875	Inter Corporate Loan Interest @ 13.75%
BFS Asia Research Ltd Hong Kong	18,22,45,882 (US\$ 3.4 million)	01.04.11 to 31.03.12	Unsecured	37 88 203	Foreign Currency Convertible Bonds holder Interest @ 2.25%

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>25</b>	<b>OTHER EXPENSES</b>		
	Advertisement & Publicity	68 732	3 57 255
	Meeting Expenses		4 02 940
	Bank Charges	30 036	1 27 621
	Dshare Paid	1 65 80 105	2 43 96 875
	Film Representative Batta		1 13 750
	Payment to Auditors	3 00 000	3 30 900
	Legal & Professional Charges	27 35 410	38 95 337
	Service Charges	3 50 931	5 35 232
	Business Development Expenses		14 27 735
	Power & Fuel	18 09 637	28 23 441
	Rent	30 36 000	29 20 500
	Repairs to machinery	7 17 479	9 61 972
	Insurance	54 183	1 23 862
	Rates & Taxes	68 63 416	33 90 885
	Bad debts written off	5 62 072	
	Postage, Trunks & Telephones	4 00 970	7 94 353
	Printing & Stationery	1 33 797	3 57 978
	Travelling & Conveyance	5 94 126	23 78 462
	Exchange Fluctuation Loss	2 17 56 337	82 48 093
	Other expenses	14 51 285	41 76 579
	<b>Total</b>	<b>5 74 44 515</b>	<b>5 77 63 770</b>

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

<b>Note 10 : Fixed Assets</b>											
<b>G.V.FILMS LIMITED</b>											
<b>Fixed Assets and Depreciation for the year ended 31.03.2012</b>											
Fixed Assets	<b>Gross Block</b>			<b>Accumulated Depreciation</b>			<b>Net Block</b>				
	Balance as at 1 April 2011	Additions/ (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	On disposals: Balance as at 31 March 2012	Balance as at 1 April 2011			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
<b>Tangible Assets</b>											
Land (Freehold)	2 42 46 160			2 42 46 160				2 42 46 160			2 42 46 160
Building (Theatres)	1 22 45 282			1 22 45 282	28 98 607	4 67 334	33 65 941	93 46 674			88 79 340
Plant & Equipment	89 23 388			89 23 388	84 43 965	66 688	85 10 653	4 79 423			4 12 735
Vehicles	1 09 77 861			1 09 77 861	82 72 429	7 00 436	89 72 865	27 05 432			20 04 996
Office equipment	1 58 02 946	25 480		1 58 28 426	82 27 717	10 71 622	92 99 339	75 75 229			65 29 087
Furniture & Fixtures	1 25 68 800			1 25 68 800	72 31 622	9 66 029	81 97 651	53 37 178			43 71 149
Sub total	8 47 64 437	25 480		8 47 89 917	3 50 74 339	32 72 109	3 83 46 448	4 96 90 097			4 64 43 468
<b>Intangible Assets under Development</b>											
Webcasting portal (Under construction)	143 24 79 586			143 24 79 586				143 24 79 586			143 24 79 586
<b>TOTAL</b>	<b>151 72 44 023</b>	<b>25 480</b>		<b>151 72 69 503</b>	<b>3 50 74 339</b>	<b>32 72 109</b>	<b>3 83 46 448</b>	<b>148 21 69 683</b>			<b>147 89 23 054</b>
Previous Year	190 50 12 277	(11 54 97 910)		178 95 14 367	4 98 00 802	85 41 016	2 32 67 479	185 52 11 474			175 44 40 027

## GV FILMS LIMITED

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

## Cash flow statement for the year ended 31 March 2012

	31-Mar-12	31-Mar-11
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(4 11 85 897)	(1 30 26 700)
Profit before tax from discontinuing operations		
Profit before tax	<b>(4 11 85 897)</b>	<b>(1 30 26 700)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	32 72 109	85 41 016
Interest Expense	85 53 349	88 21 344
Interest received	( 57 450)	
Loss/Gain on Sale of Assets		(5 63 87 903)
Exchange Fluctuation Loss	2 17 56 337	82 48 093
Operating Profit before working capital changes	<b>( 76 61 552)</b>	<b>(4 38 04 151)</b>
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	113749440	(12 30 07 774)
Increase/ (Decrease) in Long Term Provisions	5 99 185	
Increase/ (Decrease) in Short Term Provisions	1 33 477	
Increase/ (Decrease) in Other Current Liabilities	6 11 97 507	99 59 521
Increase/ (Decrease) in Other Long term Liabilities		
Decrease/ (Increase) in Trade Receivables	(4 59 88 882)	6 08 95 886
Decrease/ (Increase) in Inventories	( 1 20 000)	10 84 86 695
Decrease/ (Increase) in Long Term Loans & Advances	(26 87 31 110)	
Decrease/ (Increase) in Short Term Loans & Advances	1 89 49 405	16 20 424
Decrease/ (Increase) in Other Current Assets	( 44 593)	
Decrease/ (Increase) in Other non-Current Assets		
<b>Net Cash Flow From/ (Used in) operating Activities</b>	<b>(A) (12 79 17 123)</b>	<b>1 41 50 602</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including intangible assets, CWIP	( 25 480)	( 13 81 665)
Purchase of Investment		
Proceeds from sale of fixed assets		
Margin Money Deposit		
Interest Received	57 450	
<b>Net Cash Flow From/ (Used in) Investing Activities</b>	<b>(B) 31970</b>	<b>( 13 81 665)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase In Share Capital		
Increase In Share Application Money		
Proceeds/ (Repayments) from Long-term borrowings	139761067	( 75 98 910)
Proceeds/ (Repayments) from short-term borrowings	( 85 53 349)	( 88 21 344)
Interest Paid		
Dividends Paid		
<b>Net Cash Flow From/ (Used in) Financing Activities</b>	<b>(C) 131207718</b>	<b>(1 64 20 254)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>33 22 565</b>	<b>( 36 51 318)</b>
Cash and Cash equivalents at the beginning of the year	11 10 339	47 61 657
<b>Cash and Cash equivalents at the end of the year</b>	<b>44 32 906</b>	<b>11 10 339</b>

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

## GV FILMS LIMITED

**Significant accounting policies & notes on accounts forming part of accounts for the year ended 31st March 2012.**

## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Basis of Accounting:**

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

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

### **1.2 Income recognition**

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

Revenues from exhibition of films are recognized upon realization.

### **1.3 Fixed assets accounting**

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

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

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

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

### **1.4 Employee Benefits**

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

### **1.5 Gratuity**

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

### **1.6 Provident Fund**

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

### **1.7 Leave Encashment**

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

### **1.8 Inventory valuation**

Inventories represent films under production and other film rights.

Films under production are valued at cost.

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

**1.9 Foreign Currency transactions**

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

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

**1.10 Lease**

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

**1.11 Subsidiary**

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

**1.12 Deferred tax**

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

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

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

**1.13 Valuation of Investments**

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

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

**1.14 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the Income Tax Act, 1961. For the year 2011-12 income tax provision has not arisen due to losses.

**1.15 Provisions, Contingent Liabilities and Contingent Assets**

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

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

The period of accounts under review is from April 1, 2011 to March 31, 2012 for GV Films Limited.

**2.2 Receivables & Payables**

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

**2.3 Contingent Liability**

Liability	31-03-2012 Rs	31-03-2011 Rs
Capital Commitments	NIL	NIL
Claims against the company not acknowledged as debts	5 00 00 000	5 00 00 000
Statutory dues under dispute - Service Tax	53 52 586	NIL

**2.4 Provision for Taxation**

**31.03.2012**

**31.03.2011**

Tax under MAT

NIL

NIL

Tax under FBT

NIL

NIL

**2.5 Remuneration to Auditors**

Fee	2011-12 Rs	2010-11 Rs
Statutory audit	2 40 000	2 40 000
Tax audit	50 000	50 000
Certification	10 000	10 000
	<b>3 00 000</b>	<b>3 00 000</b>

**2.6 Foreign Exchange earnings and outflow**

Earnings / Outflow	2011-12 Rs	2010-11 Rs
Foreign Exchange earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL

**2.7 Business Segments**

The company has three business segments as under

Segment	Capital Employed Rs	Sales / service / Other Income Rs	Profit / (Loss) Rs
Film Distribution	168 69 05 000	15 84 250	(4 37 07 282)
Film Exhibition	7 96 84 000	3 34 94 189	25 21 385
Web Casting	132 59 20 000	NIL	NIL
<b>Total</b>	<b>309 25 09 000</b>	<b>3 ,50,78,439</b>	<b>(4 11 85 897)</b>

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

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

As per our report of even date

for and on behalf of the **Board**

**For R. Ravindran & Associates**

Chartered Accountants

Firm Registration No. 003222S

Sd/-

**M.V.Balagiri**

Managing Director

Sd/-

**A.Venkatramani**

Director

Sd/-

**R.Gopalan**

Director

Sd/-

**R. Ravindran**

Proprietor

Membership No: 023829

Chennai 14<sup>th</sup> August, 2012

**AUDITOR'S REPORT**

To

The Shareholders of **GV STUDIO CITY LIMITED**

We have audited the attached Balance Sheet of **GV STUDIO CITY LIMITED** as at 31<sup>st</sup> March 2012 and Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) Order, 2003 (CARO, 2003) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of my 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 the accounting principles generally accepted in India subject to:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
    - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date;

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

Sd/-  
**R. Ravindran**  
Proprietor  
Membership No 23829

Chennai, 6<sup>th</sup> August, 2012

**THE ANNEXURE REFERRED TO IN PARA 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF GV STUDIO CITY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.**

1. Maintenance of Fixed Assets Register

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

2. Verification & Valuation of Inventory

The Company does not carry inventory, hence verification and valuation of inventory does not arise.

3. Giving / Accepting Loan to / from Companies u/s. 301

a. The Company has not granted any secured or unsecured loans during the year to Companies listed in the Register maintained under Section 301 of the Companies Act, 1956.

b. Loan Accepted:

Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance
G.V.Films Limited	Holding company	- 42 94 601	66 44 167		23 49 566
<b>Total</b>		<b>- 42 94 601</b>	<b>66 44 167</b>		<b>23 49 566</b>

4. Internal Control Adequacy

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and purchase and sale of goods.

5. Entry in the Register u/s. 301

a) According to the information and explanations given to us, we are of the opinion that there were no transactions that are required to be entered in the Register maintained under section 301 of the Companies Act

b) In our opinion, clause 5(a) of CARO 2003 does not apply,

6. Deposits from Public

The Company has not accepted any deposits from the public under section 58A of the Companies Act.

7. Internal Audit

In our opinion, according to the information and explanation given to us, the company has an adequate internal audit system to commensurate with the size and nature of its business.

8. Maintenance of Cost Records

The Provision of Section 209(1)(d) of the companies Act, 1956 regarding maintenance of Cost Records is not applicable to the company.

9. Undisputed tax dues

There are no undisputed amounts payable in respect of Wealth Tax, Sales Tax, Customs Duty and Excise duty as on 31<sup>st</sup> March 2012 outstanding for a period of more than six months.

10. Net worth

The company has commenced business operations and the losses have not eroded the net worth of the company.

11. Loans from Financial Institutions

The company has not borrowed funds from Banks or Financial institutions hence the question of repayment does not arise.

12. Advancing loans or securities

The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) is not applicable.

13. Chit or Nidhi Company

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

14. Trading in Shares

The Company has not dealt in trading in shares and other investments during the year under review.

15. Corporate Guarantees

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause (xv) of the Order is not applicable.

16. Defaulting on Borrowals

The Company has not taken term loan during the year hence clause (Xvi) of the Order is not applicable.

17. Application of Short-term funds

According to the information and explanations given to us and on an overall examination of the balance sheet of the company, the company has not raised funds on short-term basis and applied for long term uses.

18. Preferential Allotment

The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

19. Issue of Debenture

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

20. Frauds

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For R Ravindran & Associates**

Chartered Accountants  
Firm Registration No. 003222S

Sd/-  
**R. Ravindran**

Proprietor  
Membership No 23829

Chennai, 6<sup>th</sup> August, 2012

**GV STUDIO CITY LIMITED**

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	15 05 00 000	15 05 00 000
(b) Reserves & Surplus	4	(160 44 835)	(25 12 929)
(c) Money Received Against Share Warrants			
<b>Share Application money pending allotment</b>			
<b>Non-Current Liabilities</b>			
(a) Long term borrowings			
(b) Deferred Tax liabilities (net)	5	11 82 095	8 97 097
(c) Other Long Term liabilities			
(d) Long Term Provisions			
<b>Current Liabilities</b>			
(a) Short term borrowings	6	27 69 566	40 25 399
(b) Trade payables	7	8 23 628	16 26 538
(c) Other Current liabilities			
(d) Short term provisions	8	4 05 219	5 30 700
<b>Total</b>		<b>13 96 35 672</b>	<b>15 50 66 805</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	9	10 52 41 428	11 16 95 277
(ii) Intangible Assets		3 23 11 584	4 03 89 480
(iii) Capital Work in Progress			
(iv) Intangible assets held under development			
(b) Non Current investments			
(c) Deferred Tax Assets			
(d) Long term loans & advances	10	90 000	90 000
(e) Other non-current assets			
<b>Current Assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivable	11	93 000	
(d) Cash and bank balances	12	6 24 660	11 64 401
(e) Short term loans & advances	13	1 80 000	6 22 327
(f) Other current assets	14	10 95 000	11 05 320
<b>Total</b>		<b>13 96 35 672</b>	<b>15 50 66 805</b>

**See accompanying notes to the financial statements**

The schedules referred to above and the notes form an integral part of the balance sheet

For and on behalf of the Board

As Per Our Report Of Even  
Date Attached  
**For R.Ravindran & Associates**  
Chartered Accountants  
Firm Registration No. 003222S

Chennai  
Date: 06.08.2012

Sd/-  
**P. Raghuraman**  
Director

Sd/-  
**A.H.Abdul Hameed**  
Director

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

**GV STUDIO CITY LIMITED**

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
I. Revenue from Operations	15	1 95 59 940	1 40 92 761
II. Other Income	16	48 19 536	11 01 787
<b>III. Total Revenue (I + II)</b>		<b>2 43 79 476</b>	<b>1 51 94 548</b>
IV. Expenses:			
Cost of materials consumed			
Purchase of stock-in-trade			
Changes in inventories			
Employee Benefit Expense	17	27 28 751	24 50 047
Finance Cost	18	1 26 000	66 177
Depreciation & Amortization expense	9	1 45 74 744	10 34 385
Other Expenses	19	2 01 96 888	1 31 87 871
<b>Total expenses</b>		<b>3 76 26 383</b>	<b>1 67 38 480</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1 32 46 908)	( 15 43 933)
VI. Exceptional Items			
VII. Profit before extra-ordinary items (V-VI)		(1 32 46 908)	( 15 43 933)
VIII. Extra-ordinary items			
IX. Profit before tax (VII-VIII)		(1 32 46 908)	( 15 43 933)
X. Tax expense :			
Current Tax		284998	8 97 097
Deferred Tax			
		<b>2 84 998</b>	<b>8 97 097</b>
XI. Profit (Loss) for the period from continuing operations (IX-X)		( 1 35 31 906)	( 24 41 030)
XII. Profit (Loss) for the period from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit (Loss) for the period from discontinuing operations (After Tax) (XII-XIII)			
XV. Profit (Loss) for the period (XI + XIV)		(1 35 31 906)	( 24 41 030)
XVI. Earning Per Equity Share :			
(1) Basic		-	-
(2) Diluted			

**See accompanying notes to the financial statements**

The schedules referred to above and the notes form an integral part of the balance sheet

For and on behalf of the Board

Chennai  
Date: 06.08.2012

Sd/-  
**P. Raghuraman**  
Director

Sd/-  
**A.H.Abdul Hameed**  
Director

As Per Our Report Of Even  
Date Attached  
**For R.Ravindran & Associates**  
Chartered Accountants  
Firm Registration No. 003222S

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

**GV STUDIO CITY LIMITED****NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS**

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
3	<b><u>SHARE CAPITAL</u></b>		
	<b>Authorised</b>		
	1,51,00,000 Equity Shares of Rs 10/- each	15 10 00 000	15 10 00 000
	<b>Issued</b>		
	1,50,50,000 Equity Shares of Rs 10/- each	15 05 00 000	15 05 00 000
	<b>Subscribed &amp; Paid up</b>		
	1,50,50,000 Equity Shares of Rs 10/- each	15 05 00 000	15 05 00 000
		<b>15 05 00 000</b>	<b>15 05 00 000</b>

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

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

	<b>31st March 2012</b>	
	<b>Number</b>	<b>Value in Rs.</b>
<b>Authorised</b>		
Equity Shares of Rs 10/- each	1 51 00 000	15 10 00 000
<b>Issued</b>		
Equity Shares of Rs 10/- each	1 50 50 000	15 05 00 000
<b>Subscribed &amp; Paid up</b>		
Equity Shares of Rs.10 each fully paid	1 50 50 000	15 05 00 000
	<b>1 50 50 000</b>	<b>15 05 00 000</b>

	<b>31st March 2011</b>	
	<b>Number</b>	<b>Value in Rs.</b>
<b>Authorised</b>		
Equity Shares of Rs 10/- each	1 51 00 000	15 10 00 000
<b>Issued</b>		
Equity Shares of Rs 10/- each	1 50 50 000	15 05 00 000
<b>Subscribed &amp; Paid up</b>		
Equity Shares of Rs.10 each fully paid	1 50 50 000	15 05 00 000
	<b>1 50 50 000</b>	<b>15 05 00 000</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
3.2	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.		
		<b>31st March 2012</b>	
		<b>Number</b>	<b>Value in Rs.</b>
	Shares outstanding at the beginning of the year	1 50 50 000	15 05 00 000
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	1 50 50 000	15 05 00 000
		<b>31st March 2011</b>	
		<b>Number</b>	<b>Value in Rs.</b>
	Shares outstanding at the beginning of the year	1 50 50 000	15 05 00 000
	Shares issued during the year	-	-
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	1 50 50 000	15 05 00 000
3.3	100% of the shares are held by the holding company G.V.Films Limited.		
4	<b>RESERVES &amp; SURPLUS</b>		
	<b>Surplus</b>		
	Opening balance	( 25 12 929)	( 71 900)
	(+) Net Profit/(Net Loss) For the current year	(1 35 31 906)	( 24 41 029)
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	(1 60 44 835)	( 25 12 929)
	<b>Total</b>	(1 60 44 835)	( 25 12 929)
5	<b>DEFERRED TAX LIABILITY</b>		
	Depreciation as per Income Tax Act	74 28 215	39 66 074
	Depreciation as per Companies Act	64 96 848	10 34 385
	Timing Difference	9 31 367	29 31 689
	Deferred Tax Provision	2 84 998	8 97 097
	Opening Balance	8 97 097	
	Closing balance	11 82 095	8 97 097
6	<b>SHORT TERM BORROWINGS</b>		
	<b>Unsecured</b>		
	Loans and advances from related parties	23 49 566	( 42 94 601)
	Deposits		65 00 000
	Other loans and advances	4 20 000	18 20 000
	<b>Total</b>	<b>27 69 566</b>	<b>40 25 399</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.																		
	Loans and advances from related parties																				
	<table><tr><th>Related Party</th><th>Relationship</th><th>Opening Balance</th><th>Fresh loans</th><th>Repaid</th><th>Closing Balance</th></tr><tr><td>G.V.Films Limited</td><td>Holding company</td><td>( 42 94 601)</td><td>66 44 167</td><td></td><td>23 49 566</td></tr><tr><td>Total</td><td></td><td>( 42 94 601)</td><td>66 44 167</td><td></td><td>23 49 566</td></tr></table>	Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance	G.V.Films Limited	Holding company	( 42 94 601)	66 44 167		23 49 566	Total		( 42 94 601)	66 44 167		23 49 566		
Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance																
G.V.Films Limited	Holding company	( 42 94 601)	66 44 167		23 49 566																
Total		( 42 94 601)	66 44 167		23 49 566																
7	<b>TRADE PAYABLE</b>																				
	Trade payable	8 23 628	16 26 538																		
	<b>Total</b>	<b>8 23 628</b>	<b>16 26 538</b>																		
	The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2012																				
8	<b>SHORT TERM PROVISIONS</b>																				
	<u>Provision for employee benefits</u>																				
	Salary	2 26 149	3 29 997																		
	<u>Statutory dues</u>																				
	Contribution to PF		74 480																		
	ESI payable		26 468																		
	Tax deducted at source	30 166	25 303																		
	<u>Provision for expenses</u>																				
	Audit fee	1 48 904	74 452																		
	<b>Total</b>	<b>4 05 219</b>	<b>5 30 700</b>																		
10	<b>LONG TERM TERM LOANS AND ADVANCES</b>																				
	<b>a. Security Deposits</b>																				
	Unsecured, considered good	90 000	90 000																		
	<b>Total</b>	<b>90 000</b>	<b>90 000</b>																		
11	<b>TRADE RECEIVABLES</b>																				
	Trade receivables outstanding for a period less than six months from the date they are due for payment																				
	Unsecured, considered good	93 000	Nil																		
	<b>Total</b>	<b>93 000</b>	<b>Nil</b>																		
12	<b>CASH AND CASH EQUIVALENTS</b>																				
	a. Balances with banks	6 21 609	11 30 361																		
	b. Cash on hand	3 051	34 040																		
	<b>Total</b>	<b>6 24 660</b>	<b>11 64 401</b>																		

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
13	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>a. Loans and advances to related parties</b>		
	Unsecured, considered good	1 00 000	4 70 380
		<b>1 00 000</b>	<b>4 70 380</b>
	<b>b. Others</b>		
	Trade Advances		
	Unsecured, considered good	80 000	1 51 947
		<b>80 000</b>	<b>1 51 947</b>
	<b>Total</b>	<b>1 80 000</b>	<b>6 22 327</b>

Loans and advances to related parties:

Related Party	Relationship	Opening Balance	Fresh loans	Repaid	Closing Balance
Swajas Air Charters Ltd.	Common Director - Mr. Mahadevan Ganesh	Nil	1 00 000	Nil	1 00 000

14	<b>OTHER CURRENT ASSETS</b>		
	Miscellaneous expenses not written off	10 95 000	11 05 320
	<b>Total</b>	<b>10 95 000</b>	<b>11 05 320</b>

The miscellaneous expenses of Rs.10,95,000/- being capital increase fee incurred by the company.

15	<b>REVENUE FROM OPERATIONS</b>		
	Theatre collections	1 95 59 940	1 40 92 761
		<b>1 95 59 940</b>	<b>1 40 92 761</b>
16	<b>OTHER INCOME</b>		
	Interest earned	9 78 875	
	Rent & Maintenance	38 35 234	7 51 787
	Miscellaneous Income	5 427	3 50 000
		<b>48 19 536</b>	<b>11 01 787</b>

**GV STUDIO CITY LIMITED**

**Note 9 : Fixed Assets**

<b>Fixed Assets and Depreciation for the year ended 31.03.2012</b>							
<b>Particulars</b>	<b>Gross Block</b>			<b>Accumulated Depreciation</b>		<b>Net Block</b>	
	Balance as at 1 April 2011	Additions/ (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation : On disposals charge for the year	Balance as at 31 March 2012
<b>Tangible Assets</b>							
Land (Freehold)	5 11 58 090			5 11 58 090			5 11 58 090
Building (Theatres)	2 31 60 827			2 31 60 827	1 86 679	11 48 707	13 35 386
Plant & Equipment	1 89 52 240			1 89 52 240	3 91 723	25 81 768	29 73 491
Furniture & Fixtures	29 10 948			29 10 948	84 934	5 11 508	5 96 443
Office equipment	1 65 47 557	43 000		1 65 90 557	3 71 050	22 54 865	26 25 914
Sub total	11 27 29 662	43 000		11 27 72 662	10 34 385	64 96 848	75 31 234
<b>Intangible Assets</b>							
Goodwill	4 03 89 480			4 03 89 480		80 77 896	80 77 896
<b>TOTAL</b>	<b>15 31 19 142</b>	<b>43 000</b>		<b>15 31 62 142</b>	<b>10 34 385</b>	<b>1 45 74 744</b>	<b>1 56 09 130</b>
Previous Year	15 31 19 142	15 31 19 142		15 31 19 142	10 34 385	10 34 385	15 20 84 757

**GV STUDIO CITY LIMITED**

Regd. Office : New No.20, Old No.17, Pushpanagar 1st Street, Nungambakkam, Chennai 600034.

**Cash flow statement for the year ended 31 March 2012**

Particulars	31-Mar-12	31-Mar-11
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(1 32 46 908)	( 15 43 933)
Profit before tax from discontinuing operations		
Profit before tax	<b>(1 32 46 908)</b>	<b>( 15 43 933)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	1 45 74 744	10 34 385
Interest Expense	1 26 000	66 177
Provision for Tax		
Preliminary Expenses Written Off		10320
Operating Profit before working capital changes	<b>1453837</b>	<b>( 4 33 051)</b>
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	( 8 02 911)	( 19 68 462)
Increase/ (Decrease) in Long Term Provisions		
Increase/ (Decrease) in Short Term Provisions	( 1 25 481)	
Increase/ (Decrease) in Other Current Liabilities		96 57 461
Increase/ (Decrease) in Other Long term Liabilities		
Decrease/ (Increase) in Trade Receivables	( 93 000)	
Decrease/ (Increase) in Inventories		
Decrease/ (Increase) in Long Term Loans & Advances		
Decrease/ (Increase) in Short Term Loans & Advances	4 42 327	( 44 23 662)
Decrease/ (Increase) in Other Current Assets	10 320	
Decrease/ (Increase) in Other non-Current Assets		
<b>Net Cash Flow From/ (Used in) operating Activities</b>	<b>(A)</b>	<b>8 85 092</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including intangible assets, CWIP	( 43 000)	(15 31 19 142)
Purchase of Investment		
Proceeds from sale of fixed assets		
<b>Net Cash Flow From/ (Used in) Investing Activities</b>	<b>(B)</b>	<b>( 43 000)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase In Share Capital		15 00 00 000
Increase In Share Application Money		
Proceeds/ (Repayments) from short-term borrowings	( 12 55 833)	21 65 000
Interest Paid	( 1 26 000)	( 66 177)
Capital expenditure		( 10 95 000)
<b>Net Cash Flow From/ (Used in) Financing Activities</b>	<b>(C)</b>	<b>( 13 81 833)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>( 5 39 741)</b>	<b>7 16 968</b>
Cash and Cash equivalents at the beginning of the year	11 64 401	4 47 433
<b>Cash and Cash equivalents at the end of the year</b>	<b>6 24 660</b>	<b>11 64 401</b>

For and on behalf of the Board

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

Chennai  
06.08.2012  
Sd/-  
**P.Raghuraman**  
Director

Sd/-  
**A.H.Abdul Hameed**  
Director

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

**GV STUDIO CITY LIMITED****NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2012****1. Significant Accounting Policies**

- 1.1 The Financial statements have been prepared under the historical cost convention method and comply with all material aspects of accounting standards of ICAI and the Provisions of the companies Act, 1956 to the extent they applicable
- 1.2 The company recognizes expenditure on accrual basis.
- 1.3 The company has written off preliminary expenses over a period of five years.

**2. General Notes to Accounts**

- 2.1 The accounting period under preview is of 12 months. Since inception, the company did not carry any transactions or business operations.
- 2.2 During the year, the company has written off 1/5<sup>th</sup> value (Rs.87,77,896) of the goodwill (Rs. 4,03,89,480) relating to the purchase of assets during the year 2010-11.
- 2.3 Remuneration to Auditor

<b>Auditor's Remuneration</b>	<b>2011-12</b>	<b>2010-11</b>
Statutory Audit Fees	75 000	75 000
Service Tax	7725	7725
<b>Total</b>	<b>82 725</b>	<b>82,725</b>

- 2.4 Schedules referred therein form an integral part of the Balance sheet.
- 2.5 Contingent Liability is NIL

For and on behalf of the **Board**For **R.Ravindran & Associates**

Chartered Accountants

Firm Registration No. 003222S

Sd/-  
**P. Raghuraman**  
Director

Sd/-  
**A.H.Abdul Hameed**  
Director

Sd/-  
**R. Ravindran**  
Proprietor  
M. No 23829

Chennai, 6<sup>th</sup> August, 2012

**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GV FILMS LIMITED AND ITS SUBSIDIARY GV STUDIO CITY LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

1. We have audited the attached Consolidated Balance Sheet of **M/s. GV FILMS LIMITED** as at March 31, 2012 and also the Consolidated Profit and Loss Account and its subsidiary for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Consolidated Financial Statements have been prepared by the management of the company in accordance with the requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:

**Subject to non recognition of impairment in advances for capex of Rs 27,22,70,344/- and intangible asset under development Rs.143,24,79,586/-**

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet and Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the balance sheet, profit and loss account and the cash flow statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act, 1956
- e. On the basis of written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the director of the company is disqualified from being appointed as a director under clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.
- f. And in our opinion and according to the best of our information, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India ;
  1. in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at March 31, 2012
  2. in the case of the Consolidated Profit and Loss Account of the Loss of the Company for the whole ended and its subsidiary for the year ended March 31, 2012.
  3. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Company for the year ended March 31, 2012.

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

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

Chennai, 14<sup>th</sup> August, 2012

**CONSOLIDATED BALANCESHEET OF GV FILMS LIMITED  
AND ITS SUBSIDIARY GV STUDIO CITY LIMITED AS AT 31ST MARCH,2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	3 68 62 78 330	3 68 62 78 330
(b) Reserves & Surplus	4	( 12 41 21 207)	( 7 74 81 302)
(c) Money Received Against Share Warrants			
<b>Non-Current Liabilities</b>			
(a) Long term borrowings			
(b) Deferred Tax liabilities (net)			
(c) Other long term liabilities			
(d) Long term provisions	5	19 57 223	13 58 038
<b>Current Liabilities</b>			
(a) Short term borrowings	6	29 76 94 257	13 43 07 271
(b) Trade payables	7	13 26 47 431	1 97 00 901
(c) Other Current liabilities	8	23 12 81 138	17 00 83 631
(d) Short term provisions	9	35 79 286	35 71 290
		<b>4 22 93 16 458</b>	<b>3 93 78 18 159</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	15 16 84 896	16 13 85 374
(ii) Intangible Assets			
(iii) Capital Work in Progress			
(iv) Intangible assets held under development		1 43 24 79 586	1 43 24 79 586
(b) Non Current investments	11	16 73 460	16 73 460
(c) Deferred Tax Assets	12	( 17 438)	2 67 560
(d) Long term loans & advances	13	54 17 05 137	27 29 74 026
(e ) Other non-current assets			
<b>Current Assets</b>			
(a) Current investments			
(b) Inventories	14	1 98 55 12 421	1 98 53 92 421
(c) Trade receivable	15	6 27 67 328	1 66 85 446
(d) Cash and bank balances	16	50 57 565	22 74 740
(e) Short term loans & advances	17	3 17 89 835	4 80 56 152
(f) Other current assets	18	1 66 63 669	1 66 29 396
		<b>4 22 93 16 458</b>	<b>3 93 78 18 159</b>

See accompanying notes to the financial statements

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

**CONSOLIDATED STATEMENT OF PROFIT NAD LOSS ACCOUNT OF GV FILMS  
AND ITS SUBSIDIARY GV STUDIO CITY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2012**

	Notes	31st March 2012 Rs.	31st March 2011 Rs.
I. Revenue from Operations	19	5 30 82 948	10 18 35 433
II. Other Income	20	23 60 092	5 91 13 325
<b>III. Total Revenue (I + II)</b>		<b>5 54 43 040</b>	<b>16 09 48 758</b>
IV. Expenses:			
Project in progress	21	1 20 000	
Change in inventories	22	( 1 20 000)	10 84 86 695
Employee Benefit Expense	23	97 23 114	1 80 07 612
Finance Cost	24	77 00 474	88 87 521
Depreciation & Amortization expense	10	97 68 957	95 75 401
Other Expenses	25	7 46 05 403	7 09 51 641
<b>Total expenses</b>		<b>10 17 97 949</b>	<b>21 59 08 869</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(4 63 54 909)	(5 49 60 112)
VI. Exceptional Items			
VII. Profit before extra-ordinary items (V-VII)		(4 63 54 909)	(5 49 60 112)
VIII. Extra-ordinary items			
IX. Profit before tax (VII-VIII)		<b>(4 63 54 909)</b>	<b>(5 49 60 112)</b>
X. Tax expense :			
1. Current Tax			
2. Deferred Tax Liability		2 84 998	8 97 097
		<b>2 84 998</b>	<b>8 97 097</b>
XI. Profit (Loss) for the period from continuing operations (IX-X)		(4 66 39 908)	(5 58 57 209)
XII. Profit (Loss) for the period from discontinuing operations			
XIII. Tax expense of discontinuing operations			
XIV. Profit (Loss) for the period from discontinuing operations (After Tax) (XII-XIII)			
XV. Profit (Loss) for the period (XI + XIV)		(4 66 39 908)	(5 58 57 209)
XVI. Earning Per Equity Share :			
(1) Basic		-	-
(2) Diluted			

**See accompanying notes to the financial statements**

For and on behalf of the **Board**

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

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

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>3</b>	<b>SHARE CAPITAL</b>		
	<u>Authorised</u>		
	2,00,00,00,000 Equity Shares of Rs.10/- each	20 00 00 00 000	20 00 00 00 000
	<u>Issued</u>		
	368 62 78 330 equity shares @ Rs. 10/- each	3 68 62 78 330	3 68 62 78 330
	<u>Subscribed and Paid up Share Capital :</u>		
	368 62 78 330 equity shares @ Rs. 10/- each	3 68 62 78 330	3 68 62 78 330
		<b>3 68 62 78 330</b>	<b>3 68 62 78 330</b>
	The company has one class of equity share having a fare value of Rs.10 per share. Each shareholder of equity shares is entitled to one vote per share.		
<b>4</b>	<b>RESERVES &amp; SURPLUS</b>		
	<b>Securities Premium Account</b>		
	Opening Balance	86 13 88 700	86 13 88 700
	Add : Securities premium credited on Share issue	-	-
	Less : Premium Utilised for various reasons	-	-
	Premium on Redemption of Debentures	-	-
	For Issuing Bonus Shares	-	-
	Closing Balance	<b>86 13 88 700</b>	<b>86 13 88 700</b>
	<b>Other Reserves</b>		
	Opening balance	7 15 33 466	7 15 33 466
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	-
	Closing Balance	<b>7 15 33 466</b>	<b>7 15 33 466</b>
	<b>Surplus</b>		
	Opening balance	(97 00 13 985)	(95 45 46 256)
	(+) Net Profit/(Net Loss) For the current year	(4 66 39 908)	(1 54 67 730)
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	<b>(101 66 53 893)</b>	<b>(97 00 13 985)</b>
	Adjustment for Goodwill on consolidation	(4 03 89 480)	(4 03 89 480)
		<b>(12 41 21 207)</b>	<b>(7 74 81 299)</b>
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for employee benefit		
	Gratuity (unfunded)	19 57 223	13 58 038
	<b>Total</b>	<b>19 57 223</b>	<b>13 58 038</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Secured</b>		
	Loan repayable on demand		
	Term Loan from Banks		2 49 54 051
	Loans from related parties	27 78 68 653	5 57 88 663
	Other Loans & Advances	1 17 25 604	4 54 64 557
	Deposits	81 00 000	81 00 000
	<b>Total</b>	<b>29 76 94 257</b>	<b>13 43 07 271</b>
<b>7</b>	<b>TRADE PAYABLES</b>		
	Trade payable-others	13 26 47 431	1 97 00 901
	<b>Total</b>	<b>13 26 47 431</b>	<b>1 97 00 901</b>
The company has no dues to suppliers under Micro, Small and Medium Enterprises Development Act 2006 as at 31st March, 2012			
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Other creditors payable	18 22 45 882	16 06 15 082
	Interest Accrued and due on Borrowings	1 01 35 256	94 68 549
	Capital Advance	3 89 00 000	
	<b>Total</b>	<b>23 12 81 138</b>	<b>17 00 83 631</b>
8.1	Other creditors payable includes dues to holder of FCCB of Rs.18,22,45,882/- which is subject to dispute.		
8.2	Interest is Rs.1,01,35,256/- provided after the due date till the end of reporting period at the rates already stipulated in the terms of bond issue.		
8.3	Capital advance of Rs.3,89,00,000/- is the advance received for sale of Gudiyatham theatre. Total consideration for the sale is Rs.7,25,00,000/-		
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	<u>Provision for Employee Benefits</u>		
	Salary and Reimbursements	9 66 926	13 42 226
	<u>Statutory dues</u>		
	Contribution to P.F.	1 19 073	1 23 626
	ESI payable	20 071	33 945
	Labour Welfare Fund	133	
	Professional Tax	17 105	17 105
	Property Tax	2 93 696	
	Tax deducted at source	9 35 107	10 61 411
	<u>Provision for Tax</u>		
	Fringe Benefit Tax	6 07 701	6 07 701
	<u>Provision for expenses</u>		
	Staff Life Insurance Premium		13 014
	Electricity	1 72 760	
	Audit fee	4 46 714	3 72 262
	<b>Total</b>	<b>35 79 286</b>	<b>35 71 290</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>11</b>	<b>NON-CURRENT INVESTMENTS (Valued at Cost)</b>		
	<b>Investment in Equity Instruments</b>		
	<b>Quoted</b>		
	9,400 Equity Shares of Rs 10/- each in GSFC	1 88 000	1 88 000
	<b>Investment in Debentures/Bonds</b>		
	792 Units -( US 64 ) of Rs 10/- each in UTI	8 496	8 496
	<b>Unquoted</b>		
	4,81,000 shares of Pixel Box office Pte. Ltd , Singapore in Sing \$ of 1 each	14 76 964	14 76 964
	Subsidiary 1,50,50,000 Equity shares of Rs.10/- each in GV Studio City Ltd.		
	<b>Total</b>	<b>16 73 460</b>	<b>16 73 460</b>
<b>12</b>	<b>DEFERRED TAX (ASSET)</b>		
	Deferred Tax (Asset)	( 17 438)	2 67 560
	<b>Total</b>	<b>( 17 438)</b>	<b>2 67 560</b>
<b>13</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>		
	Security Deposits	3 79 395	3 79 395
	Unsecured considered good		
	Security Deposits	39 050	39 050
	Unsecured considered doubtful		
	Other Loans and Advances	1 87 700	2 10 700
	Unsecured considered good		
	Capex advances	54 10 98 992	27 22 70 344
	Unsecured considered good		
	Capex advances		74 537
	Unsecured considered doubtful		
	<b>Total</b>	<b>54 17 05 137</b>	<b>27 29 74 026</b>
<b>14</b>	<b>INVENTORIES</b>		
	a. Work-in-progress (Film Production)	35 85 13 512	35 83 93 512
	b. Stock-in-trade (Film Rights)	1 62 69 98 909	1 62 69 98 909
	<b>Total</b>	<b>1 98 55 12 421</b>	<b>1 98 53 92 421</b>

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

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

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>15</b>	<b>TRADE RECEIVABLE</b>		
	<b>Outstanding for More than 6 months from the due date</b>		
	Unsecured, considered good	6 04 30 331	8 37 609
	Unsecured, considered doubtful	17 22 446	1 46 92 179
	<b>Outstanding for less than 6 months from the due date</b>		
	Unsecured, considered good	4 30 802	11 52 246
	Unsecured, considered doubtful	1 83 749	3 412
	<b>Total</b>	<b>6 27 67 328</b>	<b>1 66 85 446</b>
<b>16</b>	<b>CASH &amp; CASH EQUIVALENT</b>		
	Cash in hand	9 50 031	2 83 145
	Balance with Banks		
	- On Current Accounts	33 43 954	19 54 595
	- On Deposit Accounts	7 63 580	37 000
	<b>Total</b>	<b>50 57 565</b>	<b>22 74 740</b>
<b>17</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	Loans & Advances to related parties	29 76 952	57 75 470
	Unsecured, considered good		
	Other Loans & Advances	2 58 29 883	2 75 11 497
	Unsecured, considered good	<b>2 88 06 835</b>	<b>3 32 86 967</b>
	Other Loans & Advances	29 83 000	1 47 69 185
	Unsecured, doubtful	<b>29 83 000</b>	<b>1 47 69 185</b>
	<b>Total</b>	<b>3 17 89 835</b>	<b>4 80 56 152</b>
<b>18</b>	<b>OTHER CURRENT ASSETS</b>		
	TDS on receipts	11 94 050	11 88 304
	Miscellaneous expenditure to the extent not written off to Profit & Loss A/c	1 54 30 772	1 54 41 092
	Service Tax (Input)	38 847	
	<b>Total</b>	<b>1 66 63 669</b>	<b>1 66 29 396</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Film Rights	15 22 500	4 98 95 520
	Theatre Collections	5 15 60 448	5 19 39 913
	<b>Total</b>	<b>5 30 82 948</b>	<b>10 18 35 433</b>
<b>20</b>	<b>OTHER INCOME</b>		
	Interest earned	57 450	15 553
	Rent & Maintenance charges	17 92 105	7 51 787
	Miscellaneous Income	5 10 537	5 83 45 985
	<b>Total</b>	<b>23 60 092</b>	<b>5 91 13 325</b>
<b>21</b>	<b>FILM PRODUCTION EXPENSES</b>		
	Film Production		
	Untitled film (by Manohar)	20 000	
	Untitled film (by Bose Venkat)	1 00 000	
	<b>Total</b>	<b>1 20 000</b>	
<b>22</b>	<b>CHANGES IN INVENTORIES</b>		
	Film Production (Project in Progress)		
	Opening Stock	35 83 93 512	35 83 93 512
	Less: Closing Stock	35 85 13 512	35 83 93 512
		<b>( 1 20 000)</b>	<b>Nil</b>
	Film Rights		
	Opening Stock	1 98 53 92 421	2 09 38 79 116
	Less: Closing Stock	1 98 53 92 421	1 98 53 92 421
		<b>Nil</b>	<b>10 84 86 695</b>
	<b>Total</b>	<b>( 1 20 000)</b>	<b>10 84 86 695</b>
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salary & Wages	81 00 285	1 65 85 183
	Provident Fund	5 15 686	5 62 885
	ESI	1 29 198	1 44 284
	Labour Welfare Fund	224	5 338
	Leave encashment		2 900
	Ex-gratia & Bonus	2 58 781	66 700
	Gratuity	7 18 940	6 40 322
	<b>Total</b>	<b>97 23 114</b>	<b>1 80 07 612</b>
<b>24</b>	<b>FINANCIAL CHARGES</b>		
	Interest on loans	77 00 474	88 87 521
	<b>Total</b>	<b>77 00 474</b>	<b>88 87 521</b>

Note	Particulars	31st March 2012 Rs.	31st March 2011 Rs.
<b>25</b>	<b>OTHER EXPENSES</b>		
	Advertisement & Publicity	1 15 041	3 78 467
	Meeting Expenses		4 02 940
	Bank Charges	32 590	4 79 216
	Dshare Paid	2 91 71 972	3 35 03 916
	Film Representative Batta		1 64 675
	Payment to auditor as auditor	3 82 725	4 15 872
	Legal & Professional Charges	30 67 308	44 73 237
	Service Charges	4 80 863	8 45 929
	Business Development Expenses		14 27 735
	Power and fuel	39 25 856	37 18 702
	Rent		29 20 500
	Repair to machinery	20 37 590	14 92 295
	Insurance	2 03 257	2 73 169
	Rates & Taxes	87 99 221	35 07 902
	Bad debts written off	10 32 452	
	Maintenance - Theatre	4 93 757	3 80 666
	Membership & Subscription	6 000	1 000
	Postage, Trunks & Telephones	5 07 890	9 41 047
	Preliminary Expenses W/o	10 320	10 320
	Printing & Stationery	3 15 267	4 43 576
	Travelling & Conveyance	7 86 837	26 69 068
	Exchange Fluctuation Loss	2 17 56 337	82 48 093
	Other expenses	14 80 122	42 53 316
	<b>Total</b>	<b>7 46 05 403</b>	<b>7 09 51 641</b>

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

**Note 10 : Fixed Assets**

**Consolidated Fixed Assets and Depreciation for the year ended 31.03.2012**

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	On disposals	Balance as at 1 April 2011	Balance as at 31 March 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>								
Land (Freehold)	7 54 04 250			7 54 04 250			7 54 04 250	7 54 04 250
Building (Theatres)	3 54 06 109			3 54 06 109	30 85 286	16 16 041	3 23 20 822	3 07 04 781
Plant & Equipment	2 78 75 628			2 78 75 628	88 35 687	26 48 456	1 90 39 941	1 63 91 485
Vehicles	1 09 77 861			1 09 77 861	82 72 429	7 00 436	27 05 432	20 04 996
Office equipment	3 23 50 503	68 480		3 24 18 983	85 98 767	33 26 487	2 37 51 736	2 04 93 730
Furniture & Fixtures	1 54 79 748			1 54 79 748	73 16 556	14 77 537	81 63 192	66 85 654
<b>Sub total</b>	<b>19 74 94 099</b>	<b>68 480</b>		<b>19 75 62 579</b>	<b>3 61 08 725</b>	<b>97 68 957</b>	<b>16 13 85 374</b>	<b>15 16 84 896</b>
<b>Intangible Assets under Development</b>								
Webcasting portal (Under construction)	143 24 79 586			143 24 79 586			143 24 79 586	143 24 79 586
<b>TOTAL</b>	<b>162 99 73 685</b>	<b>68 480</b>		<b>163 00 42 165</b>	<b>3 61 08 725</b>	<b>97 68 957</b>	<b>159 38 64 960</b>	<b>158 41 64 482</b>
<b>Previous Year</b>	<b>163 27 41 933</b>	<b>11 41 11 327</b>	<b>11 68 79 575</b>	<b>162 99 73 685</b>	<b>4 98 00 802</b>	<b>95 75 402</b>	<b>158 29 41 131</b>	<b>159 38 64 960</b>

**CONSOLIDATED CASH FLOW STATEMENT OF GV FILMS LIMITED AND ITS SUBSIDIARY  
G.V.STUDIO CITY LTD FOR THE YEAR ENDED MARCH 31, 2012**

	31-Mar-12	31-Mar-11
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	(4 63 54 909)	(5 49 60 112)
Profit before tax from discontinuing operations		
Profit before tax	<b>(4 63 54 909)</b>	<b>(5 49 60 112)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ Amortisation	97 68 957	95 75 401
Interest Expense	77 00 474	88 87 521
Interest received	( 57 450)	
Other write backs		(1 59 98 423)
Provision for Tax		
Preliminary Expenses Written Off		10320
Exchange Fluctuation Loss		82 48 093
Operating Profit before working capital changes	<b>(2 89 42 927)</b>	<b>(4 42 37 200)</b>
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	11 29 46 530	(12 49 76 236)
Increase/ (Decrease) in Long Term Provisions	5 99 185	
Increase/ (Decrease) in Short Term Provisions	7 996	
Increase/ (Decrease) in Other Current Liabilities	6 11 97 507	1 96 16 982
Increase/ (Decrease) in Other Long term Liabilities		
Decrease/ (Increase) in Trade Receivables	(4 60 81 882)	6 08 95 886
Decrease/ (Increase) in Inventories	( 1 20 000)	10 84 86 695
Decrease/ (Increase) in Long Term Loans & Advances	(26 87 31 111)	
Decrease/ (Increase) in Short Term Loans & Advances	1 62 66 316	( 28 03 238)
Decrease/ (Increase) in Other Current Assets	( 34 273)	
Decrease/ (Increase) in Other non-Current Assets		
<b>Net Cash Flow From/ (Used in) operating Activities</b>	<b>(A) (15 28 92 659)</b>	<b>1 69 82 889</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including intangible assets, CWIP	( 68 480)	(15 45 00 807)
Purchase of Investment		
Proceeds from sale of fixed assets		
Margin Money Deposit		
Interest Received	57 450	
<b>Net Cash Flow From/ (Used in) Investing Activities</b>	<b>(B) ( 11 030)</b>	<b>(15 45 00 807)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase In Share Capital		15 00 00 000
Increase In Share Application Money		
Proceeds/ (Repayments) from Long-term borrowings	16 33 86 988	( 54 33 910)
Proceeds/ (Repayments) from short-term borrowings	( 77 00 474)	( 88 87 521)
Interest Paid		( 10 95 000)
Capital expenditure		
Dividends Paid		
<b>Net Cash Flow From/ (Used in) Financing Activities</b>	<b>(C) 15 56 86 514</b>	<b>13 45 83 569</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>27 82 825</b>	<b>( 29 34 347)</b>
Cash and Cash equivalents at the beginning of the year	22 74 740	52 09 090
<b>Cash and Cash equivalents at the end of the year</b>	<b>50 57 565</b>	<b>22 74 740</b>

For and on behalf of the Board

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

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R. Gopalan**  
Director

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

Chennai, 14th August, 2012

**GV FILMS LIMITED****Notes on accounts forming part of consolidated financial statements of G.V.Films Limited and its subsidiary GV Studio City Limited for the year ended 31st March 2012.****Overview:**

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

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

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

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

**1.2 Income recognition**

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

Revenues from exhibition of films are recognized upon realization.

**1.3 Principles of Consolidation**

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

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

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

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

**1.3 Fixed assets accounting:**

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

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

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

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

**1.4 Employee Benefits**

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

**1.5 Gratuity**

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

**1.6 Provident Fund**

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

**1.7 Leave Encashment**

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

**1.8 Inventory valuation**

Inventories represent films under production and other film rights.

Films under production are valued at cost.

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

**1.9 Foreign Currency transactions**

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

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

**1.10 Deferred tax**

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

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

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

**1.13 Valuation of Investments**

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

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

**1.14 Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year and determined in accordance with provisions of the Income Tax Act, 1961. For the year 2011-12 income tax provision has not arisen due to losses.

**1.15 Provisions, Contingent Liabilities and Contingent Assets**

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

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

The period of accounts under review is from April 1, 2011 to March 31, 2012 for GV Films Limited and its wholly owned subsidiary.

**2.2 Receivables & Payables**

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

**2.3 Contingent Liability**

<b>Liability</b>	<b>31-03-2012 Rs</b>	<b>31-03-2011 Rs</b>
Capital Commitments	NIL	NIL
Claims against the company not acknowledged as debts	5 00 00 000	5 00 00 000
Statutory dues under dispute - Service Tax	53 52 586	NIL

**2.4 Provision for Taxation**      **31.03.2012**      **31.03.2011**

Tax under MAT	NIL	NIL
Tax under FBT	NIL	NIL

**2.5 Foreign Exchange earnings and outflow**

<b>Earnings / Outflow</b>	<b>2011-12 (Rs)</b>	<b>2010-11 (Rs)</b>
Foreign Exchange earnings	NIL	NIL
Foreign Currency outflow	NIL	NIL
Interest on FCC Bonds	NIL	NIL

**2.6 Business Segments**

The company has three business segments as under

<b>Segment</b>	<b>Capital Employed (Rs)</b>	<b>Sales / service / Other Income (Rs)</b>	<b>Profit / (Loss) (Rs)</b>
Film Distribution	168 69 05 000	15 84 250	(3 71 71 022)
Film Exhibition	17 96 84 000	5 38 58 790	(1 75 46 781 )
Web Casting	132 59 20 000	NIL	NIL
<b>Total</b>	<b>319 25 09 000</b>	<b>5 54 43 040</b>	<b>(5 47 17 803)</b>

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

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

for and on behalf of the Board

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

Sd/-  
**A.Venkatramani**  
Director

Sd/-  
**R.Gopalan**  
Director

As per our report of even date  
**For R. Ravindran & Associates**  
Chartered Accountants  
Firm Registration No. 003222S  
Sd/-  
**R. Ravindran**  
Proprietor  
Membership No: 023829

Chennai, 14<sup>th</sup> August, 2012

**GV Films Limited**

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

**ATTENDANCE SLIP**

NAME AND ADDRESS OF THE MEMBER

FOLIO NUMBER :

NO. OF SHARES :

DP ID. NO./Client ID. No. :

NAME OF PROXY (if applicable)

**ANNUAL GENERAL MEETING**

**TIME**

**Friday, 19<sup>th</sup> April 2013 at 01.00 p.m.**

**VENUE**

**MIG Cricket Club, Galaxy Hall, MIG Colony,  
Near Mhada, Bandra (E) Mumbai – 400051**

I hereby record my presence at the Annual General Meeting of the Company

Notes :

1. This slip may please be handed over at the entrance of the meeting hall.
2. Only Shareholders / Proxies will be allowed to attend the meeting.

**Signature of Member/Proxy**

**GV Films Limited**

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

**PROXY FORM**

I / We \_\_\_\_\_ of

\_\_\_\_\_ being the Member(s) of G.V. Films Limited hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

failing him \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Friday, The 19<sup>th</sup> April 2013 at 01.00 p.m.** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Folio No.

No. of Shares Held

DP ID No./Client ID No.

**Signature of Member**

**Signature of Member**

Note : Form of proxy duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.

## BOOK-POST

*If undelivered, please return to:*

**GV Films Limited**

No.001, Damini Building,

Next to Dilkush School,

Opp-Hotel Ramada Palm Grove,

Juhu Tara Road,

Juhu Mumbai – 400049