

ANNUAL REPORT 1996-97

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G V Films Limited



G V Films Limited

Regd. Office : 'Sujatha Centre', No. 4, Seshadri Road, Alwarpet, Chennai 600 018.

EIGHTH ANNUAL REPORT

BOARD OF DIRECTORS

Mr. G.VENKATESWARAN, B.Com., F.C.A.
(Chairman & Managing Director)

Mr. C.L. NARASA REDDY, B.A.

Mr. K. SUBRAMANIA IYER

Prof. P.M. GOPALAKRISHNA, M.Com.

Mr. DE. RAMAKRISHNAN

Dr. K. BALASUBRAMANIAN,
M.Sc., M.Tech., M.S., Ph.D.

COMPANY SECRETARY

Mr. K. RAMARATHNAM, B.Sc., A.C.S.

AUDITORS

M/s. MAHADEV & CO.
M M Complex,
57, Kodambakkam High Road,
T. Nagar, Chennai 600 017.

BANKERS

CENTRAL BANK OF INDIA
Nungambakkam, Chennai 600 006

BANK OF INDIA

STATE BANK OF INDIA

THE SOUTH INDIAN BANK LTD.

BRANCH - TRICHY

THEATRE DIVISIONS

GOODLUCK PREVIEW THEATRES,
CHENNAI

SHANTI - KAMALA THEATRES,
THANJAVUR

Chairman's Statement

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GV Films Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

I have great pleasure in welcoming you all to the Eighth Annual General Meeting of your company. The Directors' Report and the Audited Accounts for the year ended 31st March 1997, have been with you for some time and, with your permission, I shall take them as read.

As you all know, the film industry in Tamil Nadu has been at cross-roads with conflicting interests between producers, distributors and technicians thereby adversely affecting the prospects of film production and distribution. The returns from the films are abysmally low compared to the burgeoning production and distribution costs. In this scenario your company has no other option but to tread carefully to minimise the losses to the company. Ultimately the profitability of your company for the financial year ended 31st March 1997, has been very badly affected and your company could post a Net Profit of Rs. 10.7 lakhs only, inspite of achieving a profit of Rs. 129.43 lakhs during the first half. In the circumstances envisaged above, I am depressed to say that your directors are unable to reward you with a dividend even though it is their strong desire to do so.

CURRENT YEAR OPERATIONS:

During the current year your company has started on a note of hope with the distribution of Rajinikanth's "Arunachalam", followed by Sivaji starrer "Once More" and Mani Rathnam's "Naerukku Naer". All these films have brought good name and revenue to the company. I am also happy to inform you that your home production "Indira" has bagged the

distinction of being the first Tamil Movie to be exported commercially to Japan. This apart, the film industry in Tamil Nadu which was hitherto at crossroads is slowly inching towards the growth path and I sincerely hope that this will gather momentum in the days to come for the betterment of the industry in general and future prosperity of your company in particular.

The gross income from the theatre divisions, during the current year i.e., upto 31st August 1997 is encouraging and is Rs. 1,05,30,677/-

THE FUTURE:

Your company, I am happy to say, is on the anvil of emerging as a major exporter of Indian films to Japan and Korea. Japanese and Korean distributors have decided to source films from India because they anticipate a shift in taste of Hongkong films to more populist Chinese films.

Your company has already exported one Tamil film "Indira" to Japan for \$10,000 and an additional \$4,000 for making two copies and is in the process of exporting Tamil films "Anjali" and "Thalapathi" for US \$10,000 and US \$11,000 respectively. This will be the standard price of the films to be exported and the buyers are willing to pay that much.

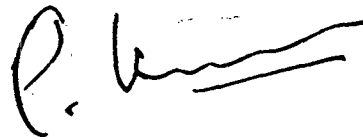
We have identified a buyer who has expressed interest in sourcing 100 movies every year from India and your company will be his sole sourcing agent in India.

Your company has already 85 movies lined up in various Indian languages to export this year. If this indeed comes true, India will strike gold from the silver screen in terms of major foreign exchange earnings for the country and of course, for the company.

ACKNOWLEDGEMENT:

On behalf of the Board of Directors and on my own behalf I take this opportunity to thank our Bankers, Business Associates, and all the shareholders for the co-operation and assistance extended to your company, and look forward to the continued support. I also thank my colleagues on the Board for their support to me and the employees of the company for their good work.

Thank you,



Place: Chennai

Date: 30.09.1997

G. Venkateswaran

Chairman & Managing Director

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**G V Films Limited****NOTICE**

NOTICE is hereby given that the Eighth Annual General Meeting of the Shareholders of the Company will be held at KumaraRajah M.A.M. Muthiah Hall, "Chettinad House" R. A .Puram, Chennai 600 028 on Tuesday, 30th September 1997 at 10.40 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Statements of Accounts for the year ended 31st March 1997 and the Reports of the Directors and Auditors thereon.
2. a) To elect a Director in place of Mr. DE. Ramakrishnan, who retires by rotation and, being eligible, offers himself for re-election.
b) To elect a Director in place of Mr. P.M. Gopalakrishna, who retires by rotation and, being eligible , offers himself for re-election.
3. To appoint Auditors and fix their remuneration. (M/s Mahadev & Co, are eligible to be re-appointed).

By Order of the Board
K. RAMARATHNAM
Company Secretary

Registered Office :
"Sujatha Centre"
No.4, Seshadri Road
Alwarpet, Chennai 600 018.

Dated : 30th July 1997.

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member of the Company. The proxies, in order to be effective, must be received by the Company, not less than 48 hours before the time fixed for commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September 1997 to 30th September 1997 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company's Share Department.


G V Films Limited

DIRECTORS' REPORT

The Directors have pleasure in presenting their Eighth Annual Report and the Accounts for the year ended 31st March 1997.

FINANCIAL RESULTS :

	Rupees
Turnover	51,21,14,452
Profit before tax	12,30,278
Provision for tax	1,58,705
Profit after tax	10,71,573
Balance brought forward from previous year	96,02,232
Amount available for appropriations	1,06,73,805

APPROPRIATIONS :

Transfer to General Reserve	53,000
Surplus carried to Balance Sheet	1,06,20,805
	1,06,73,805

With the film industry continuing to be at its lowest ebb and the economy facing a severe cash crunch the profitability of your company has been adversely affected. As a result your directors are unable to recommend any dividend for the year ended 31st March 1997.

FILM PRODUCTION AND DISTRIBUTION :

During the year under review, your Company had distributed Tamil films viz., Delhi Diary and Iruvar which did average business.

THEATRE DIVISIONS :

As usual your Theatre Divisions at Chennai and Thanjavur continue to enjoy the "Best Maintained Theatres" status.

During the year under review we had exhibited many popular movies @ Shanthi Kamala Theatres, Thanjavur, chief among them being Avvai Shanmugi, Bharathi Kannamma, Kaalamellam Kaathal Vazhga and Minsara Kanavu which have contributed to the growth in popularity of your Theatres.

DEPOSITS :

Your company has not accepted any Fixed Deposit during the year. All the Fixed Deposits which have matured for payment during the year have been fully repaid and as on date there is no Fixed Deposit pending repayment.

DIRECTORS :

In accordance with the company's Articles of Association Mr P.M. Gopalakrishna and Mr.DE. Ramakrishnan retire by rotation at the 8th Annual General Meeting and, being eligible, they offer themselves for re-election.

Dr. K. Balasubramanian, who retires by rotation has expressed his desire not to offer himself for re-election. Your Directors place on record their deep sense of appreciation for the services rendered by him to the company during his tenure as Director. Your Directors do not propose to fill up the vacancy at present.