

GV FILMS LIMITED

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**Notice for convening
17th ANNUAL GENERAL MEETING**

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held at **New Woodlands Hotel (P) Ltd, 72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai-600 004** on **Tuesday, the 11th July 2006 at 11.00 A.M** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2006, the audited Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mahadevan Ganesh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. S. Ramanathan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. (Mr.G.Parthasarathy, Auditor who is the present auditor at present, and is eligible to be re-appointed.)

Other Businesses

5. To consider and if though fit, to pass, with or without modifications(s), the following resolution as a **Special Resolution** :

“RESOLVED that pursuant to the provisions of Section 94 (1) (b) of the Companies Act, 1956, all the existing equity shares of the face of value of Re.1/- each comprised in the authorized capital of the company, both issued and un-issued be consolidated into one Equity share of Rs.10/- each fully paid up by consolidating every 10 fully paid equity shares of Re. 1/- each into one Equity share of Rs.10/- each and such consolidation shall take effect from the date to be decided by the Board of Directors of the Company or of a committee thereof.”

“RESOLVED FURTHER THAT on consolidation of Equity shares aforesaid, the Board shall not issue fractional shares if they shall arise out of such consolidation but the consolidated shares represented by the total number of such fractional shares shall be transferred to such person or persons or trust as may be nominated in this behalf by the Board upon the express condition that such person(s) aforesaid shall sell the shares so transferred on such terms and conditions (including the timings of sale) as he / they / it deem(s) fit and the net sale proceeds thereof together with any dividend or other monetary benefits which may have accrued on such shares shall be distributed to the Members in proportion to their respective fractional entitlements thereto.”

“RESOLVED FURTHER THAT the Board be and is hereby entitled from time to time to remove the person(s) so nominated and nominate any other person(s) in their place.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty pertaining to the consolidation of equity shares in such manner as it may think fit and to agree to any condition which may be imposed or any modification, which may be proposed by the regulatory authorities”

“RESOLVED FURTHER THAT the existing share certificates issued to the holders of equity shares be called back by the Directors for cancellation and issue of fresh share certificates in lieu thereof.

6. To consider and if though fit, to pass, with or without modifications(s), the following resolution as a **Special Resolution** :

“RESOLVED that pursuant to Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment/s to or re-enactment thereof), the Authorized Share Capital of the Company be increased from Rs.225 Crores (Rupees Two Hundred Twenty Five Crores Only) divided into 225 crores Equity Shares of face value of Re.1/- each to Rs.2000 Crores (Rupees Two Thousand Crores only) divided into 200,00,00,000 (Two Hundred Crores only) equity shares of Rs.10/- (Rupees Ten only) each and that the Memorandum of Association and Articles of Association of the Company be altered accordingly.

“RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company, relating to Authorised Share Capital be altered by substituting the same with the following Clause V:

- V. The Authorized Share Capital of the Company is Rs.2000,00,00,000 (Rupees Two Thousand Crores only) divided into 200,00,00,000 (Two Hundred Crores only) equity shares of Rs.10/- (Rupees Ten only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or the Articles of Association of the Company.**

“RESOLVED FURTHER THAT the existing Clause 5 of the Articles of Association of the Company be and is substituted as follows:

The Authorized Share Capital of the Company is Rs.2,000,00,00,000 (Rupees Two Thousand Crores only) divided into 200,00,00,000 (Two Hundred Crores only) equity shares of Rs.10/- (Rupees Ten only) each”

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

“RESOLVED that in accordance with the provisions of Section 81 (1) (A) and other applicable provisions, if any, of the Companies Act, 1956 as also of any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities concerned and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“Board”) (which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board of Directors to offer, issue, and allot Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Foreign Currency Convertible Bonds (FCBs) / Equity shares / warrants and / or instruments convertible into Equity shares optionally or otherwise (hereinafter referred to as “Securities”) subscribed in foreign currency to permitted investors(whether institution and/or incorporated bodies and/or individual or otherwise, and whether or not such investors are members of the Company) for an aggregate sum up to US\$ 300 million (United States Dollars Three Hundred Millions) or equivalent in Indian and / or any other currency (ies) inclusive of such premium as may be permitted by the Ministry of Finance / such other authorities, to all eligible investors including Foreign / Resident / (whether Institutions, Incorporated Bodies, / Foreign Institutional Investors / QIBs / Banks and / or otherwise, whether or not such investors are members, promoters, directors or their relatives / associates, of the Company) through Public Issue(s), Private Placement(s), preferential allotment(s) by way of cash or stock swap or towards acquisition of business or a combination thereof at such time or times in such tranche or tranches at such price or prices at a discount or premium to market price or prices in such manner and on such terms and conditions as may be deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors,

wherever necessary in consultation with the Lead Managers, Underwriters, advisors or including by way of Initial Public Offer in US or other countries, so as to enable the Company to get listed at any Stock Exchange in India and / or Luxembourg / London / New York / Singapore / Hong Kong Stock Exchange and / or any of the Overseas Stock Exchanges.”

“RESOLVED FURTHER that for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable and to settle any questions, difficulty or doubts that may arise in regard to the offer, issue and allotment of securities.”

“RESOLVED FURTHER that without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payment whatsoever and all such terms as are provided in international offering of this nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the securities.”

“RESOLVED FURTHER that the Board be and is hereby also authorized subject to approval of the appropriate authorities to secure the entire or any part of the issue by creation of the mortgage / charge on the company’s immovable and movable properties present and future, such charge to rank either pari-passu with or second, subsequent subservient and subordinate to all the mortgages / charges created / to be created by the Company for all existing and future borrowings and facilities whatsoever subject to compliance with the provisions of Companies Act, 1956 and Foreign Exchange Management Act, 1999 read with the relevant rules and regulations.”

“RESOLVED FURTHER that the Board be and is hereby authorized to enter into and execute arrangements / agreements with Lead Managers / Underwriters / Guarantors / Depository(ies) / Custodians / Advisors and all such agencies as may be involved or concerned and to remunerate all such Lead Managers, Underwriters, Stabilising Agents and all other Advisors and Agencies by way of commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like.”

“RESOLVED FURTHER that the Company and / or any agency or body authorized by the Company may issue Securities mentioned herein above representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this

nature and to provide for the tradability of free transferability thereof as per the prevailing practices and regulations in the capital markets both Indian and International.”

“RESOLVED FURTHER that the Securities issued in International offering shall be deemed to have been made abroad in the markets and / or in the place of issue of the Securities in International markets and shall be governed by English or American law or any other law as may be decided by the Board as the case may be.”

“RESOLVED FURTHER that the Board be and is hereby authorized to finalize the mode and the terms of issue and allot such number of Securities as may be issued and allotted upon conversion of any Securities referred to in the paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares shall rank pari passu with the then existing Equity Shares of the Company in all respects, excepting such rights to dividend and/or any other clause as may be provided under the terms of issue and in the offer document.”

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

ISSUE OF EQUITY SHARES OF THE COMPANY ON A PREFERENTIAL BASIS

“RESOLVED THAT the consent of the Company be and is hereby accorded to the Board, pursuant to the 81 (1A) and other relevant provisions of the Companies Act, 1956 as also of any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities concerned and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (“Board”) (which terms shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorized to accept, if it thinks fit in the interest of the Company, to issue, offer and allot Equity Shares on preferential basis upto 92,59,25,926 equity shares of the face value of Rs.10/- each for an aggregate amount upto Rs.100 crores at the price of Rs.1.08 per share (or Rs.10.80 per share, if allotment takes place after the consolidation of equity shares into Rs.10 each) to BNP Paribas and 5 sub-accounts holders of BNP Paribas acting through their depository BNP Paribas, or any other entity as may be permitted under the

applicable Rules and Regulations, in one or more tranches, and upon such terms and conditions as may be deemed appropriate by the Board at its absolute discretion ”

FURTHER RESOLVED THAT the Company be and is hereby authorized to issue, offer and allot shares to BNP Paribas and its 5 sub-accounts individually upto a limit of 10% of the total paid-up equity capital and the total amount allotted may exceed beyond the prescribed limit of 24% for all the FIIs and sub-accounts together subject to a maximum of the sectoral cap/limit (at present 100%).

“FURTHER RESOLVED THAT the subscriber to the above-said preferential offer be also eligible for an allotment upto 3 warrants of Re.1/- each on per equity share held, where,

- (a) Exercise of offer for conversion of the warrants shall be the sole option of the warrant holders at any time within a period of 18 months from the date of allotment of warrants in accordance with the SEBI(Disclosure and Investor Protection) Guidelines, 2000.
- (b) The Company may call the warrant holder, after 6 months from the date of allotment of warrants, for conversion of the warrants by giving one month notice.
- (c) The Warrant holders shall pay an amount equivalent to 10% of the conversion price determined as per SEBI's Preferential Issue Guidelines per warrants on or before the date of allotment of warrants.
- (d) The amount referred to in point (c) above shall be adjusted against the price payable subsequently for acquiring the equity shares by exercising the option of converting the warrants into equity shares by the warrant holders
- (e) The warrant holders shall pay along with the notice for exercise of the option of conversion of such warrants into equity shares, the balance 90% of the conversion price as determined above.
- (f) The amount referred in above (c) shall be forfeited, if the option to convert into shares is not exercised by the warrant holders within the stipulate time.
- (g) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balance Sheet indicating the purpose for which such monies have been utilized and that the details of the monies unutilized shall also be disclosed under a separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

“RESOLVED FURTHER THAT the equity shares so issued on conversion of warrants shall upon allotment have the same rights of voting as the existing equity shares and be

treated for all other purposes *pari pasu with the existing equity share of the Company* and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares on conversion of warrants.”

“FURTHER RESOLVED THAT the above said Equity shares shall be under a lock in period of one year from the date of allotment made by the Board of Directors of the Company as per the SEBI Guidelines for Preferential Allotment contained in Chapter XIII of the SEBI (Disclosure and Investor Protection Guidelines), 2000.

“FURTHER RESOLVED THAT:

- a) The relevant date for the purpose of pricing of the equity shares, in accordance with the SEBI Guidelines is June 11, 2006 being the 30th day prior to July 11, 2006 (i.e., the date on which the meeting of the general body of shareholders will be held, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue of equity shares on a preferential basis).
- b) The Board be and is hereby authorized to decide and approve other terms and conditions of the issue of equity shares as above, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.
- c) The Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee(s) of directors or any other officer or officers of the Company or to any other person or persons as it may deem fit, for the purpose of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT the new equity shares so issued shall be subject to the Memorandum and Articles of Association of the Company and will rank *pari-passu* with the existing equity shares of the Company except that in respect of any dividend that will be declared for the financial year commencing from 1st April, 2006 they will rank for dividend only from the date of allotment or from such date as may be determined / decided by the Directors of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing, the Directors be and are hereby authorized to take all such steps and acts as may be required in the matters relating to issue of shares on a preferential basis or give such directions as may be necessary or desirable and to settle any question or difficulty that may arise in regard to the issue and allotment of the new equity shares.