

GV Films Ltd.



24th Annual Report

2012 - 2013



GV Films Ltd.

24th Annual Report 2012-13

DIRECTORS

Mr. M. V. Balagiri

(Chairman & Managing Director)

Mr. Mahadevan Ganesh

Mr. A Venkatramani

Mr. R. Gopalan

Mr. Nambirajan Ganpathy Yadav

(Appointed on 04.01.2013)

Mr. Vijay Kumar Jain

(Appointed on 16.03.2013)

Mr. Sudhakar Mallapa Shetty

(Appointed on 13.08.2013)

COMPANY SECRETARY

Ms. Swati Maheshwari

AUDITORS

R. Ravindran & Associates

(Chartered Accountants)

BANKERS

State Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

The Cosmos Co-Operative Bank Ltd.

REGD. OFFICE

No. 001, Damini Building,

Next to Dilkush School,

Opp. Hotel Ramada Palm Grove,

Juhu Tara Road, Juhu, Mumbai - 400 049.

REGISTRAR & SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Ltd.

"Subramanian Building" No. 1,

Club House Road, Chennai - 600 002.

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ANNUAL GENERAL MEETING

Time : Monday, 30th September 2013 at 03.00 p.m.

Venue : MIG Cricket Club, Galaxy Hall, MIG Colony,
Near Mhada, Bandra (E), Mumbai - 400 051.

CHAIRMAN SPEECH

Nothing is impossible. The word itself says I'm possible!



“What is Cinema? We might as well ask “What is life?”, for film, like life, is made of moments; moments in time, held aloft for our perusal, imprinted on our soul, and then brought back to us from time to time as a memory by an event, a vision, a sound, an emotion. The separation becomes trivial cinema is life, and life cinema: around us, beside us, inside us. Created by light and celluloid, they live only in our minds and in our hearts, savored both during and after the fact. Projected onto the screen and into our consciousness, where they are replayed over and over continually re-discovered artifacts which are constantly changing us. What, then, can we say is truly real? A memory? An event? A celluloid image? The answer lies in the cinema. All is real. Nothing is impossible.”

THE ROAD AHEAD

We believe that cinema is an art, a passion and an effective tool for social awakening. We would like to ride this vehicle as often as possible, with a prolific marriage between social objective and economic compulsions. Through Entertainment we will not only reach the heart but will also stir the soul.

The concept of GVSC is envisioned as a Miniplexes with food courts. Its key value proposition is to provide a rich leisure and entertainment experience at an affordable price in Tier 2, 3 and 4 cities and towns in Tamilnadu and Maharashtra. These Tier 2, 3 and 4 cities provide an untapped opportunity for Miniplexes because disposable incomes are high and current avenues for entertainment are limited in these locations. Reasonable prices, thereby improving the viability of miniplexes. Moreover, these cities provide access to real estate at a reasonable price.

GVFL has launched a Film Distribution Division with the name of ‘One Window’. This Division will focus on distribution of movies produced by other producers and looking for a banner to release the movie. GVFL envisages good opportunity under this division, wherein the risk element is zero.

GVFL is currently looking for equity investment for its journey towards becoming a world class and professionally managed miniplex chain of over 270 screen.

The time is ripe. Market conducive, the future belongs to INDIAN FILM INDUSTRY!!!

Conclusion:

Finally, I convey my personal gratitude for the confidence that you have reposed in your company's Board of Directors. I sincerely hope that you will continue to extend your whole-hearted support to us so that we, along with the management team, and all employees will further accelerate the growth and progress of your company.

I would like to thank all our stakeholders - employees, shareholders, readers, advertisers, listeners, lenders, the Central and State Governments, bankers and society at large for helping us come this far. I would like to invite you to accompany us in our quest to create and share sustained value. I once again take the opportunity to thank all our stakeholders for their continued support.

M. V. Balagiri
(Chairman and Managing Director)

NOTICE

NOTICE is hereby given that the twenty-fourth Annual General Meeting of the members of GV Films Limited will be held on Monday, 30th September 2013 at 03.00 p.m. at MIG Cricket CLUB, Galaxy Hall, MIG Colony, Near Mhada, Bandra (E), Mumbai to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss Account for the year ended on that date and 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. R.Gopalan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors M/s. R.Ravindran & Associates, (Firm Registration No.003222S) Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. and to fix their remuneration.

“RESOLVED FURTHER THAT 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 the Directors of the company be and is hereby authorised to fix the remuneration and other terms and conditions for the appointment of Auditor.”

SPECIAL BUSINESS

5. **Voluntary Delisting of equity shares of the Company from Madras Stock Exchange Limited**

To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolutions:

“RESOLVED THAT pursuant to all applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter, provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement(s), the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as may be amended from time to time or re-enactment thereof for the time being in force and such other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, including those from the Stock Exchanges where the equity shares of the Company is listed, as may be necessary, approval of the Company be and is hereby accorded to the Board of Directors of the Company (the **“Board”**) which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this resolution to seek voluntary delisting of the equity shares of the Company from Madras Stock Exchange Limited, where the equity shares of the Company are listed, in terms of SEBI Delisting Regulations and other applicable provisions of law.

RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting, the Board be and is hereby authorized to do all such acts, deeds, matters and things at in its sole and absolute discretion it may deem necessary or desirable to give effect to the aforesaid resolution, including making applications to the Stock Exchanges seeking their in-principle and final approval for the proposed voluntary delisting of the equity shares of the Company, and to execute all such deeds and documents and to settle all questions, difficulties and doubts that may arise in this regard, as it may consider necessary and expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of Directors or to any Director or Directors or any other officers / authorized representative of the Company to give effect to this resolution.”

6. **Appointment of Mr. Nambirajan Ganapathy Yadav as a Director of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT Mr. Nambirajan Ganapathy Yadav who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 in the Board Meeting held on 04.01.2013 and who holds

office upto the date of the twenty-fourth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received proposing **Mr. Nambirajan Ganapathy Yadav** as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. Appointment of Mr. Vijay Kumar Jain as a Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:

“**RESOLVED THAT Mr. Vijay Kumar Jain** who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 in the Board Meeting held on 16.03.2013 and who holds office upto the date of the twenty-fourth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received proposing **Mr. Vijay Kumar Jain** as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of Board

Sd/-

M. V. Balagiri

Chairman & Managing Director

Place: Mumbai

Date: 04.09.2013

NOTES

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXIES NEED NOT BE A MEMBER OF THE COMPANY Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.**
- b) The Register of Members of the Company will remain closed from **25.09.2013 to 30.09.2013 (Both days inclusive)** for determining the names of members eligible for dividend on equity shares, if declared.
- c) Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrar and Share Transfer Agent of the Company M/s Cameo Corporate Services Ltd.
- d) **The members are requested to send queries, if any, on accounts which should reach the Registered Office of the Company at least seven days before the meeting.**
- e) Kindly quote your Ledger Folio Number / Client ID Number in all your future correspondence.
- f) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.
- g) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- h) 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.
- i) Information required to be furnished under clause 49 IV (G) of the Listing Agreement is given in the Corporate Governance Report which forms part of this Annual Report.

By Order of Board

Sd/-

M. V. Balagiri

Chairman & Managing Director

Place: Mumbai

Date: 04.09.2013

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956.**

Item 5

The promoters of the Company are of the view that the delisting proposal is in the interest of the public shareholders of the Company. There is no liquidity / tradability in the equity shares of the Company for last few years in Madras Stock Exchange Limited. This has put the public shareholders in lot of hardship and inconvenience. The promoters believe that the proposed voluntary delisting is in the best interests of the public shareholders. The Board of Directors of the Company believe that no particular benefit is available to the shareholders of the Company by continuing the listing of its equity shares on the Stock Exchange as no trade has been registered in the said Stock Exchanges for last few years.

Also the Company's shares are listed on Bombay Stock Exchange Limited (BSE), Madras Stock Exchange Limited (MSE) and Hyderabad Stock Exchange Limited (HSE). Bombay Stock Exchange Limited (BSE) provides a nation wide trading facility and unrestricted, unhindered access to the investors to trade in the shares of the Company. Further Hyderabad Stock Exchange Limited (HSE) was de-Recognised by SEBI.

Hence it is proposed that the Equity Shares of the Company be de-listed from Madras Stock Exchange Limited (MSE) to save the revenue of the company that is paid every year to the said Stock Exchange to avail trading facility for the shareholders

The shareholders are requested to accord their approval to the special resolutions for de-listing of Equity Shares from Madras Stock Exchange Limited.

None of the Directors of the Company are interested or concerned in the above resolution

Item 6 & 7

Mr. Nambirajan Ganapathy Yadav & Mr. Vijay Kumar Jain were appointed as Additional Directors of the Company with effect from 04.01.2013 & 16.03.03.2013 respectively. Pursuant to the provisions of the Companies Act, 1956, Mr. Nambirajan Ganapathy Yadav & Mr. Vijay Kumar Jain holds office as a Director of the Company only up to the date of the ensuing Annual General Meeting of the Company and the provisions of section 257 of the Companies Act, 1956 are complied with.

Except Mr. Nambirajan Ganapathy Yadav & Mr. Vijay Kumar Jain, none of the other Directors of the Company is, in any way, concerned or interested in this resolution.

IMPORTANT COMMUNICATION TO MEMBERS
<p>The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s Cameo Corporate Services Ltd. Email: cameo@cameoindia.com</p>

DIRECTORS' REPORT

To The Members of
GV Films Limited

Your Directors take pleasure in presenting 24th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

Particulars	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
Turnover	3 50 78 439	5 50 86 168
Profit (Loss) before Depreciation & Tax	(3 01 56 419)	(3 79 13 788)
Less : Depreciation	15 92 688	32 72 109
Profit before Exceptional and Extra-ordinary items & tax	(3 17 49 107)	(4 11 85 897)
Exceptional & Extra-ordinary items	(310 80 93 463)	Nil
Profit before Tax	(313 98 42 570)	(4 11 85 897)
Less : Provision for Income Tax	Nil	Nil
Less : Provision for Deferred tax	Nil	Nil
Profit after Tax	(313 98 42 570)	(4 11 85 897)
Balance brought forward from Previous Year	(100 86 86 953)	(96 75 01 056)
Balance available for Appropriation	(414 85 29 523)	(100 86 86 953)
Balance carried to Balance Sheet	(414 85 29 523)	(100 86 86 953)

Management of the Company under the direction of your Board of Director continued to achieve the targets of cutting down the cost of operations and bettering the efficiency by using better alternated resources/means and methods of operation.

2. 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.

3. SUBSIDIARY COMPANY

The Company has GV Studio City Limited a Wholly owned subsidiary Company. GV Studio City Limited is into the business of providing the blends of miniplex and food court. The key value proposition is to provide leisure and entertainment experience at the affordable prices.

4. BUSINESS PERFORMANCE REVIEW, BUSINESS EXPANSION, DEVELOPMENTS & FUTURE OUTLOOK

During the year 2012-13 your Company's turnover has been significantly reduced from Rs. 550.86 lacs in 2011-12 to Rs.350.78 Lacs in 2012-13. During the year under review the business of the company affected due to various external factors (i.e. international market slowdown, political insecurity, increase in entertainment Tax etc.)

Also the company during the last half of the year under review, changed its registered office from Chennai to Mumbai as a result it requires a little time to settle its business in a new environment.

Further India has the potential to be one of the world's leading markets for the creative industries both India and overseas. The country produces the highest number of films in the world and boasts a

creative and diverse entertainment market and is continuously growing. Hence, there is a fair scope of expansion of the Company in this industry as your Company is in the field of production, distribution, exhibition. With constant technology improvements and introduction of more areas of exploitation in films, the Company's outlook includes keeping pace with the advancements in the industry and absorbing the same.

Your Company has launched a Film Distribution Division with the name of '**One Window**'. This Division will focus on distribution of movies produced by other producers and looking for a banner to release the movie. GVFL envisages good opportunity under this division, wherein the risk element is minimal

Company has also produced two Hindi movies, which are ready for release – "**White Land**" and "**Brides wanted**". These movies will be released under the 'One Window' distribution division of the Company.

Further currently all electronic channels are looking for content for their telecast slots. There are around over One Lakh channels in India and abroad, who are looking for someone who can provide them continuous movies of various languages throughout the year. Dubbing of movies is one of the best ways to en-cash this golden opportunity. In this direction, the company is looking for a tie up Partner, having studio facility, who can do the dubbing of our films into various languages.

5. BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Mahadevan Ganesh & Mr. R. Gopalan Directors of the company retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

During the year Mr. Nambirajan Ganapathy Yadav & Mr. Vijay Kumar Jain has been inducted as Additional Directors on the Board who shall hold office up to the date of the ensuing Annual General Meeting and offer themselves for reappointment. Your Directors have recommended their reappointment as a Directors of the company retiring by rotation.

6. AUDITORS AND AUDITORS REPORT

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.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act. The Board of Directors recommends their re-appointment as Statutory Auditors.

The observations and comments given in the Auditors' Report read together with notes to accounts are self-explanatory and do not call for any further information and explanation under Section 217(3) of the Companies Act, 1956.

STATUTORY DISCLOSURES

7. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / outgo.

The company does not have any activity relating to Conservation of energy and technology absorption. However company has taken necessary steps for conservation of energy in its day to day energy consumption.

The company does not have any foreign exchange inflow and USD 0.5 Million (i.e. Rs. 2,67,90,000) outgo during the year.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year 31st March 2013 and of the profit of the Company for the year ended on that date.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

9. ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

Your Company regards preservation of the environment as one of its primary social responsibilities. Accordingly, the Company places great emphasis on compliance with pollution control norms.

10. DEPOSITS

During the year, the Company did not accept any deposits from the public within the meaning of section 58A of the Companies Act, 1956.

11. PARTICULARS OF EMPLOYEES

The Company has not paid any remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence no information is required to be appended to this report in this regard.

12. HUMAN RESOURCE & INDUSTRIAL RELATIONS

Industrial relations were harmonious throughout the year. The Board wishes to place on record their sincere appreciation to the co-operation extended by all employees in maintaining cordial relations and their commitment towards the growth of the Company.

13. STATUTORY COMPLIANCES

Your Company has complied with all the rules and regulations which are stipulated on the corporate sectors time to time by various Statutory Authorities.

14. MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis is appended herewith and forms a part of Directors' Report.

15. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance. The directors adhere to the requirements set out by the Securities Exchange Board of India's Corporate Governance Practice and have implemented all the stipulations prescribed.

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with the certificate on its compliance.

16. SECRETARIAL AUDIT REPORT

Keeping with the high standards of corporate governance adopted by the Company and also to ensure proper compliance with provisions of the various applicable corporate laws, regulations and guidelines

issued by the securities exchange Board of India and other statutory authorities your Company is taking care of all the statutory compliances and submit its Secretarial Audit Report for all the quarters to the Stock Exchange.

17. INTERNAL CONTROL SYSTEMS

The internal Control System is an essential element of the Corporate Governance and plays key role in identifying, minimizing and managing risks that are significant for the Company, contributing to the safeguarding of stakeholders investments and the Company's assets.

The Company has an adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and applicable statutes, codes of conducts and corporate policies are duly complied with.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by Management.

18. CONSOLIDATED FINANCIAL STATEMENT

As per AS 21 the Consolidated Financial Statement along with the notes to accounts are enclosed with this report.

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Auditors' Report, Balance Sheet and Profit and Loss Account of its subsidiary company to its Annual Report. The Ministry of Corporate Affairs, Government of India, vide its general circular no. 2/2011 dated 8th February, 2011, has granted exemption to all companies for not attaching the above documents of subsidiary with Annual Report of the Company from financial year 2010-11 onwards. Accordingly, this Annual Report does not contain the report and other statement of the subsidiary company. The Company will make available the annual audited accounts and related detailed information of the subsidiary company upon request by any member of the Company or that of its subsidiary. These documents will also be available for inspection during business hours at the registered office of the Company and also at the registered offices of the subsidiary company. Financial information of the subsidiary companies, as required by the said general exemption circular of Ministry of Corporate Affairs, Government of India, is annexed to this report.

A statement of Holding Company's interest in subsidiaries is also furnished separately.

As required by Accounting Standard – 21 and Listing Agreement with stock exchanges, the audited consolidated financial statements of the Company and its subsidiaries are enclosed.

19. ACKNOWLEDGEMENT

Your Directors express their sincere gratitude for the continued support and guidance received by the Company from the various State and Central Government Authorities and other regulatory agencies.

Your Directors would like to acknowledge the continued support and co-operation extended by Financial Institution, Banks, Government Departments, Vendors, Contractors, Distributors, Dealers and valued customers and employees, who have contributed in the success of your Company.

For and on Behalf of the Board

Sd/-

M.V.Balagiri

Chairman & Managing Director

Place : Mumbai

Date : 30.05.2013