

GV Films Ltd.

25TH ANNUAL REPORT 2013-14



*Dream can come true....
if you have the courage to pursue them.
- Walt Disney*

GV Films Ltd.

25TH ANNUAL REPORT 2013-14

DIRECTORS

Mr. M. V. Balgiri

Mr. Mahadevan Ganesh

Mr. A. Venkatramani

Mr. R. Gopalan

(Till 30th May, 2014)

Mr. Nambirajan Ganapati Yadav

(Till 24th July, 2014)

Mr. Vijaykumar Jain

(Till 30th May, 2014)

Mr. Sudhakar S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Susant S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Sushil S. Shetty

(Appointed on 1st Oct. 2013)

Mr. Dinesh M. Naik

(Appointed on 24th July, 2014)

Mr. Shivkumar B. Singh

(Appointed on 24th July, 2014)

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 Dilkhush School,
Opp. Hotel Ramada Palm Grove,
Juhu Tara Road, Juhu,
Vile Parle (West), 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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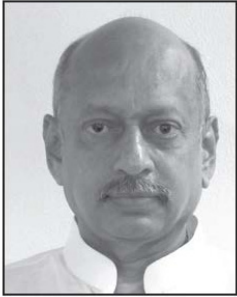
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ANNUAL GENERAL MEETING

Date & Time: Tuesday, 30th September 2014 at 03.30 p.m.

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

Chairman's Statement



Dear Shareholders,

It is my Proud Privilege to welcome you on behalf of the Board of Directors to this 25th Annual General Meeting of your Company.

The gloom of the past has faded away and Indian economy is already showing signs of recovery and it appears good days are here again. Film Industry is no exception to this positive mood swing. A better economy is always a better breeding ground for more Cinemas.

We at GV too are enthralled by this prospect. We are on the threshold of ushering revolutionary changes in our entity. I will unveil these plans at the opportune time.

This being our **SILVER JUBILEE YEAR**, I personally assure all our Shareholders that I will put forth all my teams' efforts in bringing your Company a world class and professionally managed Entity within a short span of time.

I take this opportunity to 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 in accelerating the growth and progress of your Company.

My sincere thanks to all our Shareholders, Employees, Bankers, State and Central Government Depts./Corporations, all persons/entities connected in our day to day operations and society at large for helping us to reach this far.

I am confident that the company will take all its move for achieving greater heights in the future and meet the expectation of all the stake holders with the dedicated performance at all levels.

Once again I appeal to our shareholders to support me in bringing up your Company to new heights.

M V BALAGIRI

(Chairman & Managing Director)

NOTICE

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the members of GV Films Limited will be held on Tuesday, 30th September, 2014 at 3.30 P.M. at MIG cricket Club, Galaxy hall, MIG colony ,Near Mhada, Bandra (e), Mumbai 400 051, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss and cash flow statement including Consolidated Financial Statement for the year ended on that date, together with Director's Report and Auditor's Report thereon.
2. Mr. A Venkatramani, who retires by rotation and being eligible for re-appointment, has not considered for reappointment in view of his disqualification under Section 164 of the Company's Act, 2013.
3. To appoint Statutory Auditors of the Company and fix their remuneration and in this regards to consider and thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT" pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and allied rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. R. Ravindran & Associates, Chartered Accountants (Firm Registration No.003222S) be and are hereby appointed as Auditors of the Company to hold such office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Eighth (28th) AGM to be held in the year 2017 (subject to ratification of their appointment at every AGM)

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix the remuneration and other terms & conditions of re-appointment of the Auditors."

SPECIAL BUSINESS

4. **APPOINTMENT OF MR. SUDHAKAR MALLAPA SHETTY AS A DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT in accordance with Section 149 of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Sudhakar Mallapa Shetty (DIN: 00726160), who was appointed as an Additional Director of the Company effective from October 1, 2013, under Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013, and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose **Mr. Sudhakar Mallapa Shetty** as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement by rotation."

5. **APPOINTMENT OF MR. SUSANT SRINIVAS SHETTY (DIN 06589826) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Susant Srinivas Shetty** a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 (Both days Inclusive) and not liable to retire by rotation."

6. **APPOINTMENT OF MR. SUSHIL SHRINIVAS SHETTY (DIN 06589840) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Susil Shrinivas Shetty** a director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 (Both days Inclusive) and not liable to retire by rotation."

7. **APPOINTMENT OF MR. DINESH MOHAN NAIK (DIN 01417550) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, **Mr. Dinesh Mohan Naik** (DIN: 01417550) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from July 24, 2014 up to July 23 2019 (Both days Inclusive) and not liable to retire by rotation".

8. **APPOINTMENT OF MR. SHIVKUMAR BHANUPRATAP SINGH (DIN: 00586213) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (Including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mr. Shivkumar Bhanupratap Singh (DIN: 00586213) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from July 24, 2014 up to July 23, 2019 (Both days Inclusive) and not liable to retire by rotation"

9. **REDUCTION OF SHARE CAPITAL OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of sections 100 to 104 of Companies Act, 1956 and other applicable provisions of Companies Act, 2013 (including statutory modification(s) or re-enactment thereof, for the time being in force) ("the Act") and Articles of Association of the Company adopted by the Company and subject to sanction of scheme of reduction of capital between the Company and its shareholders by the Hon'ble High Court of Judicature at Mumbai or any other appropriate authority as required under the Act, the paid-up capital of the Company be reduced from Rs. 3,68,62,78,330 divided into 36,86,27,833 equity shares of Rs. 10/- each fully paid up to Rs. 36,86,27,833 divided into 36,86,27,833 equity shares of Re. 1/- each fully paid up by adjusting against the accumulated losses of the Company.

RESOLVED FURTHER THAT Mr. M.V. Balagiri, Managing Director and/ or Mr. Sudhakar Mallapa Shetty, the Director of the Company be and are hereby severally/ jointly authorized to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution including but not limited to :

- (i) Settling, finalizing, executing and filing of all necessary documents including the applications, petition, affidavits, pleadings and such other documents as may be required to be filed with the Hon'ble High Court of Judicature at Mumbai, and/or any other authority and such further deeds, documents and writings as may be necessary in this regard;
- (ii) Making applications to the relevant authorities or other persons for their approval to the said reduction, as may be required;
- (iii) Making such disclosures to the government or regulatory authorities as may be required; and
- (iv) Affixing the Common Seal of the Company in accordance with the provisions of Articles of Association of the Company on any document in connection with the above resolution, as may be required; and
- (v) Settling all questions, difficulties or doubts that may arise in connection with the reduction of capital as they may, in their absolute discretion, deem fit."

RESOLVED FURTHER THAT consequential amendments be made in the capital clause V of the Memorandum of Association of the Company as per section 13 of the Companies Act, 2013 after the said reduction becomes operative and effective.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the board deems fit. "

10. **ALTERATION OF CAPITAL CLAUSE CONTAINED IN THE MEMORANDUM OF ASSOCIATION**

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

"RESOLVED THAT pursuant to the provisions of Section 13 read with 61 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the consent of the Members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V " The Authorized Share Capital of the Company is Rs. 20,00,00,00,000 (Rupees Two Thousand Crores only) divided into 20,00,00,00,000 (Two Thousand Crore) Equity Shares of Re. 1/- (Rupee One) each ."

11. **ADOPTION OF NEW ARTICLES OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution

" **RESOLVED THAT** pursuant to section 14 and other applicable provisions, if any, of the Companies Act, 2013 and allied rules there under (including any statutory modification(s), or re-enactment(s) thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient, for or in connection with or for giving effect to this resolution and to resolve all difficulties and to delegate the authority conferred by this resolution to such person or persons as the board deems fit. "

12. **APPROVING BORROWING LIMITS OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

"RESOLVED THAT in supersession of the all the earlier resolutions passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, the consent of the

Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as (the "**Board**") which term shall be deemed to include any Committee thereof) for borrowing, from time to time, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board at any time shall not exceed Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores Only)."

"RESOLVED FURTHER THAT the Board be and is here by authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution"

13. **CREATION OF CHARGE ON THE ASSETS OF THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as (the "**Board**") which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed Rs 1500 Crores (Rupees One Thousand Five Hundred Crores Only)."

RESOLVED FURTHER THAT the Board be and is here by authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution"

14. **LOANS AND INVESTMENTS BY THE COMPANY**

To Consider and, if thought fit, to pass without modification(s), the following as a Special Resolution:

"RESOLVED THAT subject to Section 186 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, any amendments/enactments /re-enactments thereof as are applicable, and in addition to the amounts already invested/loans made or guarantees/security provided by the Company, consent be and is hereby accorded for the Company to do the following transactions :

- i. to acquire by way of subscription, purchase or otherwise the securities of any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s), and/or
- ii. to give loans to any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s), and/or
- iii. to give guarantees or provide security in connection with loan(s) given by any other person to any of its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s),
upto a limit of Rs. 500 crores (Rupees Five Hundred Crores only) for such investments/loans/guarantees, notwithstanding that the aggregate of the investments and loans so far made or to be made and the guarantees so far given or to be given by the Company and securities so far provided and to be provided, exceeds the limits/will exceed the limits laid down by the Act read with the Rules thereunder."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned transactions including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer, sale, recall, renewal, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits, take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR GV FILMS LIMITED
Sd/-
M.V.Balagiri
MANAGING DIRECTOR**

Place: Mumbai

Date: 24th July, 2014

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.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH OTHER PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- b) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- c) Explanatory Statements pursuant to Section 102 of the Companies Act, 2013, (earlier section 173 of the Companies Act, 1956) in respect of Special Business set out above is annexed hereto.
- d) Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.
- e) The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
- f) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by coordinating RTA of the Company i.e. M/s Cameo Corporate Services Ltd. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
- g) Register of Members & Share Transfer Books of the Company will remain closed from **Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive)** for the purpose of 25th Annual General Meeting.
- h) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on any working day prior to the date of the Annual General Meeting, except Saturdays and Sundays, between 11.00 pm and 1.00 pm.

**BY THE ORDER OF THE BOARD OF DIRECTORS
FOR GV FILMS LIMITED
Sd/-
M.V.Balagiri
MANAGING DIRECTOR**

Place: Mumbai

Date: 24th July, 2014

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (EARLIER SECTION 173
OF THE COMPANIES ACT, 1956) OF THE COMPANIES ACT, 2013**

The following statement sets out all the material facts relating to the special business mentioned in the accompanying Notice dated 24th July 2014 and shall be taken as forming part of the notice.

Item No-4

At the Board Meeting held on 1st October 2013, the Board of Directors of the company has appointed Mr. Sudhakar Mallapa Shetty as an Additional Director of the company. Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Sudhakar Mallapa Shetty holds the office till the date of ensuing Annual General Meeting and appropriate notice has been received from the member proposing appointment of Mr. Sudhakar Mallapa Shetty as director of the Company. Requisite Consent has been received from Mr. Sudhakar Mallapa Shetty pursuant to provisions of section 152 of the Companies Act, 2013.

In view of the above, the Board requested to the members to pass the above resolutions slated in point No. 4 of the notice as ordinary resolutions for complying respective provisions of the Companies act, 2013 and rule made there under regarding appointment of Directors retire by rotation.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Sudhakar Mallapa Shetty for his appointment, are concerned or interested, financially or otherwise, in this Resolution.

Item No-5, 6, 7 & 8

In accordance with the relevant provisions of the Articles of Association of the Company and the provisions of the Companies Act, 2013, Mr. Susant Srinivas Shetty, Mr. Sushil Shrinivas Shetty, Mr. Dinesh Mohan Naik and Mr. Shivkumar Bhanupratap Singh were appointed as Additional Independent Directors. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is in accordance with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In transition to the Companies Act, 2013, which is effective on 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is in accordance with the provisions of Companies Act, 2013.

In view of the above, the Board requested to the members to pass the above resolutions slated in point No. 5, 6, 7 and 8 of the notice as ordinary resolutions for complying respective provisions of the Companies act, 2013 and rule made there under regarding appointment of Independent Directors.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

Item No-9

The Company has been incurring losses for past couple of years due to business Loss and inadequate working capital facilities. The accumulated losses of the Company as on 31st March 2013 which amounted to Rs. 3,21,56,07,357/- has almost wiped off the entire net worth of the Company. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme of reduction would enable the company to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business and thereby increase its net worth to enhance the stakeholders' value.

The accumulated losses of Rs. 3,21,56,07,357/- of the Company is sought to be set off against the paid up capital of the Company. Therefore the issued, subscribed and paid up share capital of the Company shall be reduced by cancelling a sum of Rs.9/- from every paid up share of Rs.10/- and thereafter issuing 1 equity share of the face value of Re.1/- fully paid-up for every 1 equity share of the face value of Rs.10/- each fully paid-up held by them in the Company.

Hence, the Subscribed and Paid-up Share Capital of the Company shall stand reduced from Rs. 3,68,62,78,330 divided into 36,86,27,833 fully paid up Equity Shares of Rs. 10/-(Rupees Ten Only) each, to Rs. 36,86,27,833 divided into 36,86,27,833 Equity Shares of Re.1/-(Rupee One Only).

In this connection, in order to give effect to the proposed reduction of capital as part of the scheme, approval of shareholders is required in terms of sections 100 to 104 of Companies Act, 1956 and other applicable provisions of the Companies Act, 2013,

before the Company files a petition to obtain the sanction of the High Court of Judicature at Mumbai or any other appropriate authority as required under the Act for Scheme.

The proposed restructuring of capital will not cause any prejudice either to the shareholders or to the creditors of the Company. The proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in ordinary course of business.

Pre and post reduction shareholding of the Company

Particulars	Pre Reduction Shareholding		Post Reduction Shareholding	
	No. of shares held (Face Value- Rs. 10/- each)	% of total shareholding	No. of shares held (Face Value- Re. 1/- each)	% of total shareholding
Promoter	0	0	0	0
Public	36,86,27,833	100	36,86,27,833	100
Total	36,86,27,833	100	36,86,27,833	100

Note:

1. The Company has obtained the approval under clause 24(f) of the Listing Agreement from Bombay Stock Exchange, vide their letter no. **DCS/AMAL/SJ/24(f)/31/2014-15** dated **May 2, 2014**. The copy of the in-principle approval is annexed as Annexure A.
2. An undertaking certified by the auditor stating the reasons for non-applicability of shareholders' approval of Scheme of Reduction of Capital of GV Films Limited, through e-voting and postal ballot is annexed as Annexure B.
3. The resolution is subject to the confirmation of the Scheme of reduction of capital of the Company by the Hon'ble High Court of Judicature at Mumbai and/or appropriate authority/(ies) as may be applicable.
4. The members are requested to read the entire text of the scheme to get acquainted to the provisions thereof.
5. Your directors recommend the approval of the special resolution.

Item No-10

Subject to approval of the Statutory Authorities Read with Provisions of Section 13 read with 61 and other applicable provisions of the Companies Act, 2013 (Including any amendment thereto or re-enactment thereof) and the rules framed there under, consent of the Members accorded to amend the capital clause of the Company for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V " The Authorized Share Capital of the Company is Rs. 20,00,00,00,000 (Rupees Two Thousand Crores only) divided into 20,00,00,00,000 (Two Thousand Crore) Equity Shares of Re. 1/- (Rupee One) each."

Since the issued, subscribed and paid up share capital of the Company shall be reduced by cancelling a sum of Rs.9/- from every paid up share of Rs.10/- and thereafter issuing 1 equity share of the face value of Re.1/- fully paid-up for every 1 equity share of the face value of Rs.10/- each fully paid-up held by them in the Company pursuant to scheme of reduction of between the Company and its shareholders.

Item No-11

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated including amendments made there after, under the Companies Act, 1956. The Company proposes to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association of the Company limited by shares.

Item No-12& 13

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

To renew the fresh limit of Rs. 1500 Crores (Rupees One Thousand Five Hundred Crores) under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 the Board recommends shareholders for their approval.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 12 and 13 of the accompanying Notice for the approval of the Members of the Company by special Resolutions.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these Resolutions.

Item No-14

The Company operates some of its businesses through subsidiaries, joint ventures and associate companies. The funding obligations of such subsidiaries, joint ventures and associate companies are funded primarily out of the Company's cashflows. Any such infusion of funds by the Company into its subsidiary(ies)/joint venture(s)/associate company(ies) or corporate guarantee given by the Company to secure the borrowings made by the subsidiary(ies)/joint venture(s)/associate company(ies), are done by means of a resolution passed by the Board of Directors or the Investment Committee of the Board which does not require shareholder approval as per the provisions of the Section 186 of the Companies Act, 2013.

Section 186 (3) provides that where the giving of any loan or guarantee or providing any security or the acquisition under sub-section (2) exceeds the limits specified therein, prior approval of the shareholders by means of passing a Special Resolution shall be necessary.

The Company has in the past, provided such collateral/support and it is a part of the objects of the Company and the Board has previously approved such transactions. To take advantage of growth prospects that may arise in the future and as a measure of prudence, the Company proposes to have the approval of shareholders so that it would be in a position to encash the market opportunities and ensure that its funding obligations to its subsidiary(ies)/joint venture(s)/associate company(ies)/body corporate(s) are met on time.

The Directors commend the Resolution at Item No. 14 of the accompanying Notice, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of these Resolutions.

Place: Mumbai

Date: 24th July, 2014