

## DIRECTOR'S REPORT

To  
The Members  
Mid Valley Entertainment Limited

Your Directors present their Twenty Sixth Report of the Company together with the Audited Statement for the year ended 31st March, 2015:

## FINANCIAL RESULTS

(Figs. In Rupees)

PARTICULARS	AS ON 31.3.2015	AS ON 31.3.2014
Total Income	0	24,054
Profit/(Loss) Before Taxation	(638,83,827)	(692,55,213)
Less: Provision for Taxation	0	0
Add/(Less) :Provision For Deferred Taxation	0	79,24,560
Less: Income Tax of earlier Year	0	0
Net profit/(Loss) after Tax	(638,83,827)	(613,30653)
Add: Profit brought forward	(1495,45,051)	(88214398)
Amount available for appropriation	0	0

## 2. OPERATIONS AND BUSINESS PERFORMANCE

During the year there was no operations, resulting net loss before tax (PBT) for the year was Rs.- 638.84 Lakhs as compared to the previous year loss of Rs.692.55 Lakhs.

## 3. DIVIDEND

Your Directors have not recommended any dividend for the financial year in view of the losses incurred.

## 4. MATERIAL CHANGE AND COMMITMENTS OF THE COMPANY:-

Since no operational activities during the year no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report, and there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future, except that the suspension of trading of shares of the company continued during the year in view of non compliance.

## 5. SHARE CAPITAL

The paid up equity share capital of the company as at 31<sup>st</sup> March 2015 was Rs.34.22 Crores. The company currently has no outstanding shares issued with differential rights, sweat equity or ESOS

## 6. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

There is a whistle blower policy in the company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimisation of persons who use vigil mechanism.

## 7. POLICY ON SEXUAL HARASSMENT

The company has a policy in prevention & prohibition of sexual harassment at workplace. However the company is in the process of constituting a committee for the same. The policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no complaints have been received under the policy.

## 8. SECRETARIAL AUDIT

Practising Company Secretary was appointed as Secretarial Auditors for auditing the secretarial records of the company for the year ended 31<sup>st</sup> March 2015 and the report is Annexed hereto.

Reply to the comments of the Secretarial Audit Report is as under:

- a) Company has no operations and hence could not afford to appoint Key Managerial Personnel
- b) The records/returns were destroyed in flood during 2015 and hence company is retrieving its records.
- c) The company is taking all the steps to revoke the suspension with the Stock Exchanges
- d) Other observations are explained in the para's below:

## 9. BOARD OF DIRECTORS

### Composition

The Board had five directors, of which Mr. Muragavel Karunanithi Resigned making the Composition as four Directors of which Ganapathi Lalitha and Kamalnayan Harakchand are the non executive and independent directors, Datu K Keetheeswaran is Non executive Chairman and Promoter, and Mr. R. Chandrasegaran Director of the company. Out of the

four directors, two are foreign directors, who could attend the meetings through video conferencing.

The category of Directors and their memberships in other Board/Committees during the year 2014-2015 are as under -

S.No.	Name of the Director	Category	No. of other directorships	No. of Membership in other Board / Committees
1	Datu Keetheeswaran	Non executive Chairman & Promoter	3	0
2	R. Chandrasegaran	Executive Diretor	0	0
3	R Kamalnayan Harakchand	Non executive Independent Director	3	0
4	Ganapathi lalitha	Non executive Independent Diretor	3	

The annual operating plans, budgets, quarterly results, performance of the company and other information, including those specified under Annexure 1A to the Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges, as may be amended from time to time, could not be placed before the Board due to the lack of operations.

#### 11. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS

During the Financial Year 2014- 2015, five Meetings of the Board of Directors were held On 30/05/2014; 14/08/2014; 23/09/2014; 30/11/2014; 31/01/2015 between the said meetings the gap is not more than 120 days as prescribed under section 173(1) of the Act.

### Attendance of Directors at the Board Meetings and last Annual General Meeting –

S.No.	Name of Director	Attendance	
		Board Meeting	Last AGM
1	Datu K Keetheeswaran	0	No
2	Kamalnayan Harakchand	4	Yes
3	R Chandrasegaran	0	No
4	Ganapathi lalitha	4	Yes

The Directors attended the meeting through mode of video conferencing.

### 12. CHANGE IN DIRECTORS

Mr. Muragavel Karunanithi Resigned and Mr Datu K Keetheeswaran (holding DIN 01410448) was appointed as Non executive Director in the Annual General Meeting held last year. He retires by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment.

A brief note on Director retiring by rotation and eligible for re-appointment is furnished in the Notes to the Notice of the Annual General Meeting.

Except the above, there is no change in the composition of the Board of Directors.

### 13. KEY MANAGERIAL PERSONNEL

During the year under report the company has Company Secretary Mr. S Raghavan as the Key Managerial Persons, and the company is yet to appoint CFO and whole time director..

### 14. BOARD EVALUATION

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of independent directors, Board of Directors and Committees of the Board.

However Audit Committee and other Committee meetings were held only for the five quarters during the year. In view of this, the Board has not carried out evaluation of its own performance as well as that of the Committees of the Board and all the Directors.

## **15. POLICY ON DIRECTORS' APPOINTMENT AND OTHER DETAILS**

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director.

## **16. REMUNERATION POLICY**

The objective and broad framework of the Company's remuneration policy is to consider and determine the remuneration based on the fundamental principles of payment for performance, for potential and for growth. Information about elements of remuneration package of individual directors is provided in the extract of the Annual Return as provided under Section 92(3) of the Companies Act, 2013.

## **17. FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTOR**

Details of the familiarization program of independent directors are kept at the Registered Office of the Company.

## **18. ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached separately.

## **19. CORPORATE GOVERNANCE REPORT**

corporate governance report for the year is attached separately.

## **20. DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors confirm:

that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures

that your 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 and fair view of the state of affairs of the company at the end of the financial year March 31, 2015 and of the profit of the company or the financial year;

that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

that your Directors have prepared the annual accounts on a going concern basis

that your directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

that your directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 21. INDEPENDENT DIRECTORS' DECLARATION

All independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 which has been relied on by the Company and placed at the Board Meeting of the Company.

## 22. AUDIT COMMITTEE

The Audit Committee is having three members. The terms of reference of the Audit Committee are to overview the accounting systems, financial reporting and internal controls of the Company and are wide enough to cover the mandatory items as required under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

The Audit Committee could convene five meetings on 30/05/2014; 14/08/2014; 23/09/2014; 30/11/2014; 31/01/2015

## 23. REMUNERATION TO DIRECTORS:

The details of the remuneration paid/ payable to the directors during the year 2014-15 are given below:

Name	All elements of remuneration package i.e. salary benefits, bonus, pension, etc. for the period (Rs. lacs)	Commission (Rs.)	Sitting Fees (Rs. Lacs)
Executive Director			
Muragavel Karunanithi	1,92,000	0	0
Non-Executive Director			

Kamalnayan Harakchand	0		
R Chandrasegaran	0		
Ganapathi lalitha	0		
Total	1,92,000	0	0

Presently, the Company has not formulated scheme for grant of Stock options either to the Executive Directors or employees.

The Company's Shares are compulsorily traded in dematerialised form. Hence the Committee meets at relevant intervals considering the volume of transfers received in the physical segment.

Company Secretary was the Compliance Officer of the Company.

Number of complaints received from the investors during the year 2014-15 and their status are as follows.

No. of Complaints received	...
No. of Complaints disposed of	...
No. of Complaints pending at the year end	...

#### 24. General Body Meetings

The location and time of Annual General Meetings (AGM) held during the last 3 years are as follows:

AGM	Date	Time	Venue	No. of Special Resolutions Passed
31.3.2014	22.09.2014	10.00 a.m	Asha nivas No.9 Rutland gate 5 <sup>th</sup> street, Chennai 600 006	1
30.04.2013	31.10.2013	10.00 a.m	9 <sup>th</sup> floor GEE GEE Emerald, 312 Valluvar Kottam High Road, Nungambakkam, Chennai 600 034	nil

31.05.2012	28.02.213	10.00 a.m	9 <sup>th</sup> floor GEE GEE Emerald, 312 Valluvar Kottam High Road, Nungambakkam, Chennai 600 034	nil
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**a) Special Resolution passed in previous 3 AGMS:**

The Company has passed following Special Resolution in the Annual General Meeting held on 22.09.2014

Adoption of new set of Articles of Association

**b) Extra Ordinary General Meeting**

During the year 2014- 2015, no Extra Ordinary General Meeting was held

**25. AUDITORS COMMENTS**

According to information given to me and explanations provide, the company is not regular in depositing undisputed statutory dues including income tax deducted at source, sales tax, dusty of customs, duty of excise, cess and other statutory dues with appropriate authorities. The company has to pay the income tax and fringe benefit tax(FBT) for the years ended march 31,2006,2007,2008,2009 and 2010 amounting to Rs.36,42,653/-,Rs.5,75,40364,Rs.3,51,17,32, Rs.47,76,704 Rs.77,66000 respectively and FBT of Rs165000 (excluding interest) and TDS of Rs.9,90,125 ESI, PF and professional tax of Rs.1,33,849 Respectively.

According to the information and explanation given to me and explanations given to me, the company is liable to pay Rs.61.71 lakhs together with interest due for the delayed payment of tax in respect of income tax relating to assessment year 2002-2003 which is pending before the first level of appeal, viz., CIT(APPEALS), CHENNAI

**DIRECTOR'S COMMENTS :**

The Directors are taking necessary steps for making payments the statutory authorities.

**26 .Disclosure**

**a) Related Party Transactions**

No fresh transactions under section 188 of the Companies Act 2013 were entered during the year

Similarly, no fresh loans and advances were given to the Subsidiary companies during the year as per Section 185 of the Companies Act, 2013. Hence AOC-2 not required to be attached.



**b) Listing Compliances**

No compliance could be done during the year due to suspension of trading of the equity shares with both Bombay Stock Exchange and National Stock Exchange. No data made available by RTA, hence could not provide list of shareholding pattern of shareholders.

As per requirement, pursuant to the provision of Section 129 of the Companies Act, 2013, the abstract of the details of the subsidiaries are not received and hence not attached and also the consolidated accounts are not provided.

**c) Subsidiaries**

The company has two subsidiary companies and one associate company as under.

Midvalley Entertainment International Pvt Ltd	Associate company
Midvalley Contents &Distributions Pvt Ltd	Wholly owned subsidiary
Midvalley Hospitality Pvt Ltd	Wholly owned subsidiary

Since company subsidiary has not made their financials no AOC 1 is attached.

**d) Code of conduct**

The Company has complied with all the mandatory requirements of the Corporate Governance Code including Board Composition, Audit Committee, Share holders relationship Committee, except the filling of vacancy of one independent director on these committees.

**27. Details of Director seeking reappointment in the forthcoming Annual General Meeting.**

(in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr Datu K Keetheeswaran
Date of Birth	18/01/1961
Age	53
Appointed on	01/07/2011
Qualification	Graduate
Expertise	Management of affairs of the company
Directorships held in other public companies	3
Memberships/ Chairmanships of	0

## 28. CEO Certification

As required under Clause 49 of the Listing Agreement a Certificate duly signed by the CEO is not available.

## 29. Means of Communication

The financial results of the company could not be published in English & Tamil Newspapers except for the first two quarters and also submitted to the Exchanges.

## 30. GENERAL SHAREHOLDERS INFORMATION

i)AGM date, time and venue	30 <sup>th</sup> September 2015 at 10.00 a.m. Asha Nivas No.9 Rutland Gate, 5 <sup>th</sup> street, Chennai 600 006
ii)Financial Calendar	April 1 <sup>st</sup> 2014 to 31 <sup>st</sup> March 2015
iii)Dividend payment	Nil
iv)Listing of Equity shares	i) Bombay Stock Exchange Ltd (BSE) Bhiroze Jheejheebhoy Towers Dalal street, Mumbai 400 001 Tel: 91-22-2272 1234, 1233 Fax:91-22-2272 3353/3355 Website: <a href="http://www.bseindia.com">www.bseindia.com</a> Website: <a href="http://www.nseindia.com">www.nseindia.com</a>
v)Listing fees	for the year 2013-14 for the year 2014-15  Will be paid in the current year
v)Address of Registered Office	9 <sup>th</sup> floor, GG Emerald, 312 VKH Road Nungambakkam, Chennai 600 034 Phone:044 28144763 Email id:venkatesh&co@gmail.com
vi) a) stock exchange security code for Equity shares	The Bombay Stock Exchange Limited Mumbai
b)Corporate Identity Number (CIN) of the company	L85110TN1989PLC062297