



**SHREE ASHTAVINAYAK  
CINE VISION LTD.**

**PRODUCTION  
DISTRIBUTION • EXHIBITION**

# **ANNUAL REPORT**

## **2011 - 12**





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**CORPORATE INFORMATION**
**Board of Directors**

Mr. Dhilin H Mehta	Chairman & Managing Director
Mr. Rupen N. Amlani	Whole Time Director
Mr. Dhaval V. Jatania	Whole Time Director
Mr. Hiren J. Gandhi	Whole Time Director
Mr. Ashok V. Ladhani	Non Executive Independent Director
Mr. Chandrakant K. Sachde	Non Executive Independent Director
Mr. Nishant A. Mahidhar	Non Executive Independent Director
Mr. Hetal N. Thakore	Non Executive Independent Director

**Committees of the Board**
**Audit Committee**

Mr. Chandrakant K. Sachde	Chairman
Mr. Ashok V. Ladhani	Member
Mr. Nishant A. Mahidhar	Member
Mr. Hetal N. Thakore	Member

**Remuneration Committee**

Mr. Nishant A. Mahidhar	Chairman
Mr. Chandrakant K. Sachde	Member
Mr. Ashok V. Ladhani	Member
Mr. Hetal N. Thakore	Member

**Shareholders/Investors'**  
**Grievance Committee**

Mr. Chandrakant K. Sachde	Chairman
Mr. Ashok V. Ladhani	Member
Mr. Nishant A. Mahidhar	Member
Mr. Hetal N. Thakore	Member

**Registered Office**

A-204/205, VIP Plaza, 2nd Floor, Off Andheri Malad  
Link Road, Andheri (West), Mumbai - 400 053.

Email : [info@ashtavinayakindia.com](mailto:info@ashtavinayakindia.com)  
Website : [www.ashtavinayakindia.com](http://www.ashtavinayakindia.com)

**Company Secretary**

Ms. Archana Andhare

**Secretarial Auditors**

C S Jagdish Patel  
Company Secretaries

**Auditors**

Statutory Auditors	Shah, Shah & Shah Chartered Accountants
Internal Auditors	I. O. Dharia & Co. Chartered Accountants

**Registrar & Share Transfer**  
**Agents**

Link Intime India Pvt.Ltd.  
C-13, Pannalal Silk Mills Compound  
L.B.S.Marg, Bhandup(W)  
Mumbai - 400 078  
Tel: 2596 3838 Fax : 2594 6969

**Bankers to the Company**

State Bank of India  
IDBI Bank





## NOTICE

**NOTICE** is hereby given that the **11<sup>th</sup> Annual General Meeting** of the members of **Shree Ashtavinayak Cine Vision Limited**, will be held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29<sup>th</sup> September, 2012 at 9.30 A.M. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Statement of Profit & Loss Account for the year ended as on that date together with the Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ashok Ladhani, retiring by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nishant Mahidhar, retiring by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hetal Thakore, retiring by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration

By Order of the Board

Sd/-  
CS. Archana Andhare  
(Company Secretary)

Place : Mumbai  
Dated : 30.05.2012

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive).

4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in electronic form are requested to write their DP Id and client Id numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting to facilities identification of membership at the Meeting. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting. As copies of Annual Report will not be distributed at the meeting.
7. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
8. At the ensuing Annual General Meeting Mr. Ashok Ladhani, Mr. Nishant Mahidhar and Mr. Hetal Thakore retires by rotation and being proposed for re-appointment as Director, the detail as required under Clause 49 of the Listing Agreement is given as below

Name	Age	Educational Qualification	Experience in Years	No. of shares held.
Mr. Ashok Ladhani	58 Years	Chartered Accountant.	Above two decades	NIL
Mr. Nishant Mahidhar	36 Years	Diploma in Electronics and Video Engineering.	Above nine years.	NIL
Mr. Hetal Thakore	49 Years	B. Sc. & LLB.	Above two decades.	NIL

By Order of the Board

Sd/-  
CS. Archana Andhare  
(Company Secretary)

Place : Mumbai  
Dated : 30.05.2012



## D I R E C T O R S '   R E P O R T

Dear Member,

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

The highlights of the financial results are as under:

(Amount in Rs.)

	Year ended (12 Months)	Year ended (6 Months)
Particulars	2011-2012	2010-2011
Income from Operations	854497607	820557399
Other Income	891642422	173328224
Profit Before Interest, Depreciation & Tax (EBIDT)	362473552	(46207689)
Less: Depreciation	10009169	5017836
Less : Finance Cost (Interest)	274433980	82840111
Profit Before Tax	78030403	(134065636)
Less: Provision for Tax & adjustment earlier	(190000)	(46928788)
Profit After Tax	78220403	(87136848)

### OPERATIONS

Previous year was consisting of 6 months from October 2010 to March 2011, and therefore comparison between the two financial years is not possible. During the year the company has released one home production film titled “ROCKSTAR” on 11<sup>th</sup> November 2011, directed by Imtiaz Ali starring Ranbir Kapoor, Nargis Fakhri, and others.

Your Company continues to pursue the completion of ongoing projects to achieve sustainable and a balanced profitable growth.

### DIVIDEND

The Board of Directors has not recommended dividend for the year ended 31<sup>st</sup> March, 2012, with a view to conserve the resources.

## **DEPOSITS**

Your Company has not accepted any Deposits within the meaning of Section 58A of Companies Act, 1956 and Rules made there under from the public or its employees during the year under review.

## **FINANCE**

The total Borrowings (Long Term & Short Term) as on 31.03.2011 were Rs.311.97 Crs. which has been reduced to Rs. 284.32 Crs in the current year 31.03.2012, mainly on account of reduction in film project loans availed for the film already released, as the loan for film projects are self liquidating in nature.

The Other Income for the year mainly comprising of foreign exchange gain which is notional in nature.

## **INSURANCE**

All the properties of your Company like Fixed Assets, including Office Premises, Furniture & Fixtures are adequately insured. The film productions activity is also adequately insured.

## **DIRECTORS**

In accordance with the requirements of the Companies Act, 1956, Mr. Ashok Ladhani, Mr. Nishant Mahidhar and Mr. Hetal Thakore, will retire by rotation and, being eligible, have offered themselves for re-appointment

## **AUDITORS**

The present Auditors of the Company M/s. Shah Shah & Shah, Chartered Accountants, Mumbai, will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment to hold the office till the conclusion of next Annual General Meeting.

Auditor's observations/remarks are self explanatory.

They have submitted certificate for their eligibility for reappointment under section 224(1B) of the Companies Act, 1956.

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI."

## **EMPLOYEES**

None of the employees of the Company were paid remuneration of Rs.60,00,000/- p.a. or more for the year or Rs. 5,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

## **CONSOLIDATION OF ACCOUNTS:**

The Company has four non-material Wholly Owned Subsidiaries in India and one Wholly Owned Subsidiary abroad.

The audited Consolidated Accounts and Cash Flow Statements, comprising of the Company and its all subsidiary Companies appear in this Annual Report together with the Auditors' Report on the consolidated Accounts. The Consolidated Accounts have been prepared in accordance with the Accounting Standard prescribed by the Institute of Chartered Accountant of India.



Pursuant to General Circular No 2/2011 file no 51/12/2007-CL-III dated February 8, 2011, issued by the Ministry of Company Affairs giving directions under section 212(8) of the Companies Act, 1956 granting general exemption from attaching the financials along with the Directors Report and Auditors Report of the Subsidiary Companies to the financials of the holding Company on fulfillment of certain conditions. In compliance with the said Circular of the Ministry of Company Affairs, the Company has attached a summary of the Financial Statements of each of the Subsidiary Companies.

As per Clause 32 of the Listing Agreement the Consolidated Financial Statements of the Company with its Subsidiaries form part of the Annual Report. The Copies of the Audited Annual Accounts of the Company's Subsidiaries and other related documents can also be sought by any members of the Company or its Subsidiaries on making a written request to the Company Secretary in this regard. The Annual Accounts of the Subsidiary Companies are also available for inspection by any member at the Company's and/or the concerned Subsidiaries' registered office

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

In the preparation of annual accounts, the applicable accounting standards have been followed.

That they had 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 and of the profit or loss of the company for that year (6 months).

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 for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUT GO**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

### **FOREIGN EXCHANGE EARNING & OUTGO**

	<b>Current Year</b> <b>(12 months)</b>	<b>Previous Year</b> <b>(6 Months)</b>
	<b>01.04.2011 to 31.03.2012</b>	<b>1.10.2010 to 31.03.2011</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Earnings	0.00	0.00
Outgoings	16,03,54,485	44,65,312

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS**

As required by the Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a detailed Report on Corporate Governance, along with the certificate of the Statutory Auditor, of the Company, is attached elsewhere in this Annual Report.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

The Management Discussion and Analysis Report also appears elsewhere in this Annual Report, and both the aforesaid Reports are incorporated for reference herein.

The Board of Directors of the Company has adopted a Code of Conduct and posted the same on the Web site. The Directors and Senior Management Personnel have affirmed their compliance with the said code.

## **AUDIT COMMITTEE**

The Audit Committee has been constituted by the Company pursuant to Section 292(A) of the Companies Act, 1956 and under Clause 49 of the Listing Agreement.

## **APPRECIATION**

The Board of Directors wishes to place on record their sincere appreciation of the continued support and confidence in the Company from its Shareholders, FCCB Holders Suppliers, Bankers to the Company and financial institutions, and all other business associates, for their support and confidence reposed in the Company.

The Management takes this opportunity to express its special gratitude and appreciation to all Actors and Actresses, Directors and other Associates involved in film production and releases of the same.

**For and on behalf of the Board**

**Sd/-  
Dhilin Mehta  
(Chairman)**

**Place : Mumbai  
Dated :- 30.05.2012**



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN MEDIA & ENTERTAINMENT

Indian Media & Entertainment Industry to touch INR 1,457 billion by 2016. In 2011, the Indian Media & Entertainment (M&E) Industry registered a growth of 12 percent over 2010, to reach INR 728 billion. The growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,457 billion by 2016.

2011 has been a challenging year not just for the Indian M&E industry, or even the Indian economy, but for the larger world economy. While India is still expected to grow at a healthy pace, growth is projected to be lower than earlier expectations. The film industry had a reason to cheer, with multiple movies crossing the INR 100 crore mark in domestic theatrical collections, and INR 30 crore mark in C&S rights. Advertising spends across all media accounted for INR 300 billion in 2011, contributing to 41 percent of the overall M&E industry's revenues. Advertising revenues witnessed a growth of 13 percent in 2011, as against 17 percent observed in 2010.

Key highlights –

Films:

With several high budget Hindi releases lined up across the year, 2012 is expected to sustain the growth momentum witnessed in 2011. The Indian film industry is projected to grow at a CAGR of 10.1 percent to touch INR 150 Billion in 2016. The industry is estimated to be INR 93 billion in 2011 indicating a growth of 11.5 percent vis-à-vis 2010.

Television:

The over-all television industry is estimated to be INR 329 billion in 2011, and is expected to grow at a CAGR of 17 percent over 2011-16, to reach INR 735 billion in 2016. The share of subscription to the total industry revenue is expected to increase from 65 percent in 2011 to 69 percent in 2016. The TV industry continues to have headroom for further growth as television penetration in India is still at approximate

Music:

While 2010 was the year of structural shift from physical formats to digital ones, 2011 provided users' viable options of music consumption through different digital platforms. The Indian music industry achieved revenues of INR 9 billion in 2011, registering a growth of 5 percent over 2010.

(Source : KPMG REPORT MARCH 2012)

### *Company Overview*

Shree Ashtavinayak Cine Vision is a vertically integrated company involved in the entire value chain of film production

The company has in past produced blockbuster films like Jab We Met, Maine Pyaar Kyun Kiya, Bhagam Bhag, Golmaal, Golmaal Returns, Golmaal 3, Luck, Dabaangg etc. the Company has released film "ROCKSTAR" during the year on 11.11.2011 worldwide and the film got overwhelming response from all over the world.

### ***Production***

The company has a strong track record in the production of Bollywood feature films. In 2011-12, the company has produced film titled “ROCKSTAR” released on 11.11.2011 worldwide and got overwhelming response from all over the world. Also, the film has got numerous awards in various categories which includes Technical Excellence -A R Rehman, Popular Award-Best Actor-Ranbeer Kapoor, Best Lyric-Irshad Kamil, Best Playback Singer-Mohit Chauhan, Best Romantic Film, Best Director-Imtiaz Ali and many more...

The company’s core competency lies in its professional approach to film making, cost-effective production and superior film promotion strategy.

**Professional Approach:** The company ensures proper pre-production planning leading to minimal delay in shooting schedules, efficient utilisation of equipment, lower project time and proper budgeting of estimated costs including contingencies. The Company is focusing on high entertainment value and mainstream Hindi film entertainment industry producing family entertainers, thrillers, comedy and romantic films. A deep understanding of audience preferences stemming from experience in distribution translates to a high success-ratio of the films produced by the Company.

**Lower Cost:** Proper budgeting ensures that the project cost doesn’t overshoot. Strong impetus is provided to cost – benefit analysis for each cost component. Adopting the policy of hiring best directors, script writers and actors is an important thing with an excellent chemistry between director and actors, excellent production values & shooting locations, releasing the film in maximum number of screens all over India, adopting de-risked model & pre-selling of various rights, proper selection of idea, concept & script, making the movie in proper time & budge by completion in less than industry average time of 12 – 18 months, proper financial management, making hard core entertaining film which has universal appeal.

**Superior film promotion and marketing strategy:** Apart from the script and the creative aspects, much of any film’s success depends upon its marketing and promotion. Proper promotion & marketing i.e. spending more on marketing for better opening at the time of release after having proper controlling & monitoring practices. Proper selection of dates of release of the films and the budget for its promotion including television, outdoor, in-cinema, etc. The company has honed its expertise in the marketing and promotion of films, and this has largely been instrumental in the success of its home productions films.

### ***Operational overview***

The Company’s ability to choose the right project having strong content has ensured its success. In addition, the Company also invests considerable amount of involvement and resources in marketing - pre-release and post release publicity.

The company has stalled two film projects titled “One Way Ticket” and “Mud Mud Ke na Dekh Mud Mud Ke” due to commercial non-viability.

The year 2011-12 - witnessed the release of the film – “ROCKSTAR” which was released on 11<sup>th</sup> November 2011, starring Ranbir Kapoor, Nargis Fakhri, Aditi Rao and Others. The film has outperformed in terms of acting and music and also in terms of Box office collection.

### ***Outlook***

The Company is associated with many projects in the pipeline in the forthcoming period.

The Company is working with well known directors like Rohit Shetty, Apoorva Lakhia, Milan Luthria and Kunal Kohli, and these projects are at pre-production stages.





The Company's projects ranged from big-budgets to medium budget movies, reflecting its ability to generate content-rich cinema coupled with financial acumen, at the same time retaining its focus on entertaining the masses.

Barring unforeseen circumstances, your Company look forward to release more films during the year compared to last year.

### ***Financial overview***

The Total Revenue of the Company for the year stood at Rs. 85.45 Cr. Earnings Before Interest, Depreciation and Taxation allowance (EBIDTA) for the year is (Rs. 36.25 Crs). The Company registered a Profit After Tax of Rs. 7.82 Crs.

### ***Risk management***

#### ***Risk : Risk Mitigation Strategies***

##### **Operational Risk -**

- Cover cost of production through pre-sale of a part of the rights.
- Secure the services of the best talents (directors/actors/technicians) by making timely and prompt payments, to ensure that there are no problems in engaging the dates
- Sticking to the stipulated timelines and budgets to avoid cost and time overrun, commonly associated with film making
- Having our own distribution network helps increase the profitability and helps distribute films made under other banners.
- Putting in place clear responsibility allocation across all functions of Shree Ashtavinanyak Cine Vision
- Strict adherence and monitoring of systems
- Recruiting and retaining the best talents for key positions with relevant experience in the entertainment industry or other industries
- Provide an environment which keeps employees challenged and rewards talent.

##### **Portfolio risk -**

- Overseas Rights- Theatrical & Home Video
- Satellite Telecast Right sale of rights to satellite television channels
- World Music Rights
- World Home Video Rights
- Ring Tone Downloading Rights- to be received from various websites and telecom service providers
- In Film Advertising
- Cinema Advertising

##### **Profitability risk –**

- Add new territories i.e. Central Territory, Eastern Territory, Southern Territory and overseas distribution under our distribution network. This network will be used to distribute in-house productions and films produced by other production houses.
- Specialize in mapping the distribution network on the criteria of economics, quality, entertainment value, viewer preferences based on the past track record of distribution and consolidate it further in future.

## **REPORT ON CORPORATE GOVERNANCE**

*(Pursuant to clause 49 of the Listing Agreement)*

### **1. Company's philosophy on Corporate Governance**

Good Corporate Governance is an integral part of the Company's Management and Business Philosophy. It is the combination of voluntary practices and compliance with law and regulations leading to effective control and management of the organization. The Company Subscribes fully to the principles of good Corporate Governance which leads to long term shareholder value and enhances interest of other stakeholders. It embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company. Transparency and accountability are the two basic doctrine of Corporate Governance. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are emphasized at all levels within the Company. In line with this philosophy Shree Ashtavinayak Cine Vision Limited is committed to enhance shareholders value through level of efficiency, integrity, innovation and excellence in everything it does. The Company will enhance shareholders value by harmonizing the needs and interest of all its stakeholders, viz., customers, employees, lenders, governments and community at large.

The Company strongly believes that good Corporate Governance ultimately leads to growth and competitive strength, and the corporate governance norms are the foundations of procedure at the Board and operational levels.

Essential ingredients of excellence are attitude, management structure and governance. Management structure is the key to the goal of success. Corporate governance is a necessary condition and not a sufficient condition for succeeding in the global market place, hence, to achieve success, the Management has adopted highest standards of corporate behavior towards all the stakeholders like employees, customers and the society at large.

The Board of Directors of your Company are responsible for and committed to sound principles of Corporate Governance in the Company. We keep our governance practices under continuous review so that we can cater all shareholders and stakeholders in a better way.

### **2. Board of Directors**

#### **Composition of the Board:**

The Chairman of the Company is Executive & Promoter Director. The Board is well balanced of total 8 (Eight) Directors out of which 4 (Four) are Executive Directors and 4 (Four) are Independent & Non-Executive Directors.

Details as on date, of the composition of the Board, category of the Directors and their attendance at the board meetings and the last Annual General Meeting, number of their Directorship in other companies and Membership and Chairmanship of specified committees is given below.



During the year 2011-12, 13 (Thirteen) Board Meetings were held.

Name of Director	Category	No. of Board Mtgs. Attended	Attendance at the last AGM	No. of Directorship	No. of outside Committee positions held		No. of Equity Shares held As on 31.03.12
		Attended			Chairman	Member	
Mr. Dhilin H. Mehta	E.D	13	P	6	Nil	Nil	13699560
Mr. Rupen N. Amlani	E.D	13	P	4	Nil	Nil	Nil
Mr. Hiren J. Gandhi	E.D	13	P	4	Nil	Nil	NIL
Mr. Dhaval V. Jatania	E.D	07	A	1	Nil	Nil	1150000
Mr. Ashok V. Ladhani	I.N.E.D	12	A	Nil	Nil	Nil	Nil
Mr. Chandrakant K. Sachde	I.N.E.D	13	P	Nil	Nil	Nil	Nil
Mr. Nishant A. Mahidhar	I.N.E.D	13	P	Nil	Nil	Nil	Nil
Mr. Hetal N. Thakore	I.N.E.D	09	A	Nil	Nil	Nil	Nil

# I.N.E.D – Independent Non-Executive Director,  
E.D. – Executive Director.

\$ As required by the existing Clause 49 of the Listing Agreements entered into with the BSE & NSE, only Membership/Chairmanship of the Audit Committee and Investors Grievance Committee of public companies have been considered.

The Company Secretary, CS Archana Andhare act as the secretary to the Board.

### 3. Code of Conduct

The Board of directors has laid down the Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company. Copy of Code of conduct is available on Company's web site. A declaration signed by Managing Director affirming the compliance of code of conduct by Board Members and senior management executives is also annexed separately in this Annual Report

### 4. Audit Committee

The Board of Directors constituted an Audit Committee. The Audit Committee of the Company comprises of Non-Executive Independent Directors only. All the members of the Committee have the relevant experience in financial matters. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's Internal Control and Financial Reporting process. The composition of the Audit Committee and the attendance of each member of the committee is given below:

Name	Designation	Category #	Committee Meetings	
			Held	Attended
Mr. Chandrakant K. Sachde	Chairman/ Member	I.N.E.D	4	4
Mr. Ashok V. Ladhani	Member	I.N.E.D	4	4
Mr. Nishant A. Mahidhar	Member	I.N.E.D	4	4
Mr. Hetal N. Thakore	Member	I.N.E.D	4	1

# I.N.E.D – Independent Non-Executive Director,

The Company Secretary, CS Archana Andhare act as the secretary to the Committee. The meetings of the Audit Committee are also attended by the CEO, CFO, Statutory Auditors and Internal Auditors as Special Invitees.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the BSE & NSE and Section 292A of the Companies Act, 1956. The salient features of powers and role of the Audit Committee are:

The Audit Committee is vested with the necessary powers as follows:

- To investigate any activity of the Company;
- To seek and obtain any information and explanation;
- To obtain outside legal or professional advice and if necessary, secure their attendance at the meetings.
- To achieve its objectives.

The terms of reference of Audit Committee are briefly described as follows:

- Meeting once in every quarter to review performance of the Company along with the financial results of the Company.
- Recommending the appointment and removal of Statutory Auditors, fixation of Audit Fees and approval for payment of any other services rendered by them.
- Reviewing with management the annual financial statements of subsidiaries before submission to the Board.
- Reviews with the management, statutory auditors and internal audit system, the adequacy and the compliances of internal control systems.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, shareholders and creditors.
- Reviewing the Company's financial and risk management policies.

## 5 Remuneration Committee

Board of Directors has constituted Remuneration Committee. The committee is empowered to approve remuneration of Directors of the Company and their relatives and to ensure compliance of the Companies Act, 1956, Listing Agreements, etc. No meeting were held during the year. The present composition of Remuneration Committee is given below:

Name	Designation	Category #
Mr. Nishant A. Mahidhar	Chairman	I.N.E.D
Mr. Chandrakant K. Sachde	Member	I.N.E.D
Mr. Ashok V. Ladhani	Member	I.N.E.D
Mr. Hetal N. Thakore	Member	I.N.E.D

# I.N.E.D – Independent Non-Executive Director,  
The Company Secretary, CS Archana Andhare acts as the secretary to the Committee-

### 5A Remuneration Policy:

The remuneration structure comprises of sitting fees to non executive Directors and Salary & Perquisites is paid to Executive Directors within the limit approved by the Members.



The Details of remuneration paid to executive Directors during the Financial Year 2011-2012 are as under.

Executive Directors	Remuneration (Rs.)
Mr. Dhilin H. Mehta	25,89,380.00
Mr. Rupen N. Amlani	11,59,380.00
Mr. Hiren J. Gandhi	11,59,380.00
Mr. Dhaval V. Jatania	11,59,380.00

Note:

1. No Director is related to any other Director on the Board,
2. The Company has a policy of not advancing any loans to its Directors.
3. The Company does not have any scheme for grant of stock options to its Directors or Employees.

## 5B Non-Executive Directors.

The Non-executive Directors are paid Sitting Fees. The same is decided broadly on the basis of meetings attended by the Non-Executive Directors and their respective contribution to the Company.

The details of the remuneration by way of sitting fees paid to the Non-executive` Directors for the Financial Year 2011-2012 are as under:

Directors	Sitting Fees (Rs.)
Mr.Chandrakant K. Sachde	1,20,000
Mr.Ashok V. Ladhani	2,40,000
Mr.Nishant A. Mahidhar	1,20,000
Mr. Hetal N. Thakore	1,20,000

## 6. Shareholders/Investors' Grievance Committee:

The Board of Directors has formed Shareholders/Investors' Grievance Committee. During the year 4 (Four) shareholders/ Investor's Grievance Committee meeting were held. There is no transfer of shares in physical form. The present composition of the Shareholders/Investors' Grievance Committee, number of meetings held is as follows:

Name	Designation	Category #	Committee Meetings	
			Held	Attended
Mr.Chandrakant K. Sachde	Chairman	I.N.E.D	4	4
Mr.Ashok V. Ladhani	Member	I.N.E.D	4	4
Mr.Nishant A. Mahidhar	Member	I.N.E.D	4	4
Mr. Hetal N. Thakore	Member	I.N.E.D	4	1

# I.N.E.D – Independent Non-Executive Director

The Company Secretary, CS Archana Andhare acts as the secretary to the Committee.

## Role of Shareholders/Investors' Grievance Committee:

Review the existing "Investor Redressal System" and suggest measures for improvement.

The Investors' Grievance Committee meets to review and to take note of the Compliance Report submitted to the Stock Exchanges and Grievances of the shareholders and several meetings were held.

To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

CS Archana Andhare, Company Secretary, acts as Secretary to the Committee. She is the Compliance Officer of the Company and also responsible for redressal of investors complaints.

The Company's shares are compulsorily traded and delivered in the dematerialised form in both Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, who are authorized to transfer shares under one transfer deed. Details of share transfers/transmission approved by the officers are placed before the Committee from time to time.

### **Investor Grievance**

During the year 7 complaints/letters were received by the Company, no complaint is pending to be resolved at the end of the financial year.

Average 15 days is taken for disposal of shareholders complaints/letters

### **Subsidiary Companies**

The Company does not have any material non-listed Indian subsidiary Company and hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary Company. The minutes of the non-listed subsidiary Companies had been placed before the Board for their attention and there were no major transactions.

The accounts of all the subsidiaries are placed before the Board of Directors of the Companies on a quarterly basis and the attention of the Directors is drawn to all significant transactions and arrangement entered in to by the Subsidiaries Companies.

### **7A Related party transaction:**

During the year under review, there were no other material related party transactions of the Company with its promoters, Directors or the Management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the company at large. The material Related Party Transactions are placed before the Audit committee of the Board quarterly and placed for Board's information on a quarterly basis. Further there are no material individual transactions that are not in normal course of business or not on an arm's length basis.

### **7B Disclosure of Accounting treatment:**

The Company follows accounting standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

### **7C Disclosure by Senior Management:**

Senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

### **7D CEO/CFO CERTIFICATION:**

The Managing Director (CEO) and the Company Secretary (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended 31<sup>st</sup> March, 2012, which is annexed hereto. Statements and the cash flow statement for the year is enclosed separately at the end of the report.



**7E Details of Non-Compliance :**

There have been no instances of non compliances of any matter with the rules and regulations prescribed by the Stock Exchanges, SEBI or any other statutory authority relating capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

**7F Secretarial Audit:**

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the Shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

**7G The Management discussion and analysis report:**

The Management Discussion and Analysis Report appearing elsewhere is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement forms part of the Annual Report.

**8. Annual General Body Meetings:**

For the Financial Year	AGM	Venue/ location	Date and time
2008-09	AGM	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102	29 <sup>th</sup> September, 2009 at 9.30 a.m.
2009-10	AGM	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102	29 <sup>th</sup> December, 2010 at 9.30 a.m. <i>same</i> <i>adjourned on 29<sup>th</sup></i> <i>March, 2011</i> <i>at 9.30 a.m.</i>
2010-11	AGM	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102	29 <sup>th</sup> September, 2011 at 9.30 a.m.

*No Special Resolutions requiring a postal ballot is being proposed at the ensuing Annual General Meeting.*

9. Certificate from the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement of the Stock Exchanges in India forms part of this report.

**10. Implementation of Code of Conduct for Insider Trading:**

Shree Ashtavinayak Cine Vision Limited has adopted Code of Conduct for Insider Trading and is based on the SEBI framework. Shree Ashtavinayak Cine Vision Limited follows strict guidelines in respect of insiders' stock trading and related disclosures. The Company secretary is designated as the Compliance Officer to over see its implementation. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance from the Company as per the pre dealing procedure described in the Code.

## 11. Means of Communication with Shareholders:

Shree Ashtavinayak Cine Vision Limited has adopted

Quarterly Results	The quarterly and annual results of the Company are published in English and vernacular newspaper in accordance with the requirements of the Listing Agreement of the stock Exchanges.
News papers in which results are normally published	Free Press Journal- English and Navshakti-Marathi
Web site	<a href="http://www.ashtavinayakindia.com">www.ashtavinayakindia.com</a>
E –mail:	<a href="mailto:info@ashtavinayakindia.com">info@ashtavinayakindia.com</a>
Registered Office :-	A-204, 2 <sup>nd</sup> Floor, VIP Plaza, off. Andheri Link Road, Andheri (W), Mumbai –400053
Tel:-	+ 91 22 40497800
Fax :-	+ 91 22 67029634
Whether Management Discussions and Analysis report is a part of Annual report or not	Yes

## 12. General Shareholders' Information

12.1	11 <sup>th</sup> Annual General Meeting, Date & Time	29.09.2012 at 9.30 a.m.
12.2	Venue	Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102
12.3	Financial Calendars (Tentative)	
12.6	Unaudited Financial reporting for the quarter ended 30 <sup>th</sup> June, 2012	2 <sup>nd</sup> week of August, 2012
12.7	Unaudited Financial reporting for the quarter ended 30 <sup>th</sup> September, 2012	2 <sup>nd</sup> week of November, 2012
12.8	Unaudited Financial reporting for the quarter ended 31 <sup>st</sup> December, 2012	2 <sup>nd</sup> week of February, 2013
12.9	Unaudited Financial reporting for the quarter and year ended 31 <sup>st</sup> March, 2013	2 <sup>nd</sup> week of May, 2013
12.10	Book Closure Date	26.09.2012 to 29.09.2012 ( both days inclusive)
12.11	Registered Office	A-204, 2 <sup>nd</sup> Floor, VIP Plaza, Off. Andheri Link Road, Andheri (W), Mumbai –400053
12.12	Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078 Tel No.: 022 - 25963838 Fax No.: 022 – 25946969 <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>





12.13	Listing on Stock Exchanges at	1. Bombay Stock Exchange of India Limited Scrip code: - 532793 2. National Stock Exchange of India Limited Scrip code: SHREEASHTA Listing Fees have been paid for F.Y 2012-2013
12.14	Company registration No.	L92110MH2001PLC133759
	NSDL & CDSL – ISIN	INE5381101024

**12.15 Month wise Stock Market Data (BSE & NSE) Relating To Equity Shares Of The Company**

Month	BSE			NSE		
	High	Low	Average	High	Low	Average
April, 2011	7.35	6.31	6.83	7.05	6.35	6.70
May, 2011	6.80	4.97	5.89	6.00	5.05	5.53
June, 2011	5.80	3.81	4.81	5.60	3.95	4.78
July, 2011	5.33	4.05	4.69	5.15	4.10	4.63
August, 2011	5.00	3.85	4.43	4.70	3.95	4.33
September, 2011	6.50	4.59	5.55	6.20	4.90	5.55
October, 2011	6.55	5.41	5.98	6.55	5.55	6.05
November, 2011	7.88	4.01	5.95	7.55	4.30	5.93
December, 2011	4.88	3.83	4.36	4.55	3.85	4.20
January, 2011	4.59	3.70	4.15	4.40	3.80	4.10
February, 2011	4.64	3.72	4.18	4.25	3.80	4.03
March, 2012	4.24	3.22	3.73	3.95	3.35	3.65

Bombay Stock Exchange (BSE)

National Stock Exchange (NSE)

(Source – BSE & NSE)

**12.14 DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> March, 2012**

No. of Shares held		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	56968	43.8691	13477223	1.63
501	1000	25271	19.4603	22761339	2.76
1001	2000	17253	13.2859	28527834	3.45
2001	3000	7544	5.8094	20062320	2.44
3001	4000	3738	2.8785	13795850	1.67
4001	5000	4718	3.6332	22869063	2.77
5001	10000	7044	5.4243	54481726	6.62
10001	and above	7323	5.6392	648706800	78.66
TOTAL		129859	99.9999	824682155	100.00
Physical mode			6250		
Demat Mode			824675905		
		TOTAL	824682155		

**12.15 CATEGORIES OF SHAREHOLDERS AS ON 31<sup>st</sup> March, 2012**

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1	Other Bodies Corporate	1016	188175797	22.82
2	Clearing Member	365	28689442	3.48
3	Foreign Institutional Investors	8	15695901	1.90
4	Financial Institutional Banks	1	13000	0.00
5	Central Government/ State Government(s)	1	400	0.00
6	Trust	2	16000	0.00
7	Non Resident Indians	468	14640174	1.78
8	Public	127991	536004381	64.99
9	Promoters	3	41447060	5.03
	Total	129855	824682155	100.00

**12.16**

Details of Equity Shares Under lock-in period	:	NIL
Dematerialization of shares	:	As on March, 2012 of the total equity shares 824675905 is in Demat mode and 6250 is in physical mode.
Investors' correspondence to be addressed to:  Telephone : Fax :	:	Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078  022 – 25963838 022 – 25946969 info@ashtavinayakindia.com rnt.helpdesk@linkintime.co.in

**13. Status of compliance with Mandatory/ Non-Mandatory requirement**

**13.1 Mandatory Requirement**

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.

**13.2 Non-Mandatory requirement**

The Company is also in compliance with the non-mandatory requirement as specified in Annexure 1D to clause 49 of the Listing Agreement regarding constitution of remuneration committee.



Company would endeavor to comply with other non-mandatory requirements as specified in Annexure 1D to clause 49 of the Listing Agreement.

BY AND ON BEHALF OF THE BOARD

Place: Mumbai  
Date:- 30.05.2012

Mr. Dhilin Mehta  
Managing Director & CEO

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.03.2012

BY AND ON BEHALF OF THE BOARD

Place: Mumbai  
Date:- 30.05.2012

Mr. Dhilin Mehta  
Managing Director & CEO

### CEO/CFO CERTIFICATION

The CEO and the CFO have certified to the Board that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls and they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee:
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

BY AND ON BEHALF OF THE BOARD

Mr. Dhilin Mehta  
Managing Director &  
CEO

BY AND ON BEHALF OF THE BOARD

C.S. Archana Andhare  
Company Secretary & CFO

Place : Mumbai  
Date:- 30.05.2012

**Auditor's Certificate on Corporate Governance  
To the Members of SHREE ASHTAVINAYAK CINE VISION LIMITED**

We have examined the year ended **31st March 2012**, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS**

(Mehul Shah)  
PARTNER  
Firm Regd. No: 116457W  
Membership No.: 49361  
Mumbai: May 30, 2012



## AUDITORS' REPORT

To  
The Members,  
**SHREE ASHTAVINAYAK CINE VISION LIMITED**

We have audited the attached Balance Sheet of **Shree Ashtavinayak Cine Vision Limited** as at **March 31, 2012**, Statement of Profit and Loss for the year ended on that date annexed thereto, and Cash Flow Statement of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

(a) we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit. Attention is invited to Sub Note No. 5 of Note No. 31 of the Annual Accounts, in view of which loans, advances, and other assets due from subsidiary companies of the Company are treated as good in nature. Attention is invited to Sub Note No. 6 (a) & (b) of Note No. 31 of the Annual Accounts as regards non receipt of loan confirmations from certain parties owing to dispute with them or default in repayment.

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance sheet and profit and loss account read with notes there on dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.

(e) on the basis of written representations received from the Directors, as on the date of balance sheet, and taken on record by the board of directors, we report that none of the directors is disqualified as on the said date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

(f) in our opinion, and to the best of information, and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956 in the manner so required, and give a true and fair view in conformity with accounting principles generally accepted in India.

(i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

(ii) in case of Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date.

(ii) in case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

**FOR SHAH, SHAH & SHAH**  
**CHARTERED ACCOUNTANTS**

(Mehul Shah)  
PARTNER  
Firm Regd. No: 116457W  
Membership No.: 049361  
Mumbai: May 30, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE  
**IN CASE OF SHREE ASHTAVINAYAK CINE VISION LIMITED**

- (i) (a) The Company is maintaining proper records showing full particulars of, including quantitative details and situation, of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed substantial portion of its fixed assets during the year; accordingly the going concern status of the Company is not affected.
- (ii) As explained by the Management, the production of films requires various types, qualities and quantities of materials, consumables and inputs in different denominations generally pertaining to the specific films under production. Due to multiplicity and complexity of items, many of which are used across various films under production at the same time, it is not practicable to maintain the stock register, as the process of making films is not amenable to it. All the purchases of films related consumable/ consumables are treated as consumed. In view of this, the Company does not maintain inventory register and also does not carry out physical verification of inventory. Hence information relating to clause (ii) (a) and (b) of the order has not been given.
- (iii) (a) As explained to us, the Company has granted unsecured loan(s), to Five subsidiary companies (four 100% Subsidiary in India and one overseas), of which loans to four Indian subsidiaries are interest free. Aggregate amount involved as loans to all the subsidiaries at the balance sheet date was RS. 548.56 Crore, and maximum amount so involved RS. 557.71 Crore. The details of these loans are as under:

Name of the Company	Amount at the year end (Amount in	Maximum Amount (Amount in Crore)
Shree Ashtavinayak Cine Vision FZE (Foreign Subsidiary)	532.12	532.12
Shree Ashtavinayak LFS Infra Limited	0.66	0.66
Shree Ashtavinayak Dream Pictures Limited	0.01	0.01
Shree Ashtavinayak Light Camera Action Limited	10.76	19.81
Shree Ashtavinayak Passion Movies Limited	5.02	5.12

(b) As explained to us, the terms and conditions of unsecured loans granted by the Company to above subsidiaries are not prima-facie prejudicial to interest of the Company. The Management is of the view that all loans and advances granted to the subsidiaries are good in nature; and in accounts of the respective subsidiaries, assets of such subsidiaries, wherein the funds advanced by the Company are applied, have been considered good in nature.

(c) As explained to us, the loans to Indian subsidiaries are demand loans; and hence the sub-clause dealing with receipt of the principal amount and interest on regular basis is not applicable. Loan to the foreign subsidiary and interest thereon is not due on the balance sheet date; and the same is repayable along with interest after 60 months from February 18, 2008, the date of loan agreement.

(d) Since the loans granted to Indian subsidiaries are in nature of demand loan(s), the sub-clause dealing with overdue amount more than rupees one lakh is not applicable.

(e) The Company has taken interest free unsecured loans from two parties covered in the register maintained under section 301 of the Act. The amount involved at end of the year in aggregate was RS. 76.55 Crore, and the maximum amount involved in the transaction during the year was RS. 78.14 Crore.

(f) Other terms and conditions of unsecured loans taken by the company, are prima facie not prejudicial to interest of the Company.

(g) The unsecured loans taken are repayable on demand. The Company has paid the loan amount as and when demanded by the lender, thus, we are explained, there has been no default on the part of the Company.

- (iv) In our view, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets, and for sale of goods and services, though, the Company does not maintain any physical inventories or sales of goods owing to the nature of its business. In our view, there has been no continuing failure to correct major weakness in internal control systems of the Company.





- (v) (a) According to the information and explanation given to us and on the basis of representation received from the Management, the transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) As explained to us, there are no transactions made in pursuance of such contracts or arrangements made during the year, and accordingly, the clause as to entering the transactions at prices which are reasonable having regard to the prevailing market prices at the relevant time is not applicable.
- (vi) In our opinion, the Company has complied with the provisions of section 58A and section 58AA or any other provisions of the Companies Act, 1956 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 58A or 58AA or any other provisions of the Companies Act 1956.
- (vii) On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit functions carried out by an Internal Auditor of the Company is adequate and commensurate with the size of the Company and nature of its business.
- (viii) We have been informed by the management that, the Central Government has not prescribed the method of maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956 to the industry to which the Company pertains.
- (ix) (a) We have been informed by the management that, the Company is generally regular in depositing all undisputed statutory dues with the appropriate authorities and there have been no material arrears of outstanding dues as at the last day of this financial year for more than six months from the date they became payable except wealth-tax and tax deducted at source as under:

PARTICULARS	(Amount in Crore)
Tax deducted at source for Assessment Year 2012-13	1.39
Income Tax for Assessment Year 2010-11	2.37
Wealth tax for Assessment Year 2011-12	0.03

The management has informed us that, the default with respect to wealth tax for Assessment Year 2011-12 is made good by making the payment along with interest on the date of this report.

(b) In our opinion and according to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth Tax, and Service tax, Custom Duty, Excise Duty or Cess, as applicable to it which have not been deposited on account of any dispute.

- (x) According to the information and explanation given to us, there are no accumulated losses at end of the financial year in excess of fifty percent of net worth of the Company. The Company has not incurred cash losses during the year, but incurred cash losses in the immediately preceding financial period.
- (xi) The Company is to pay amount due but unpaid on account of interest amounting to RS. 92.33 Lac to the financial institutions for a period of three months on the date of Balance Sheet. The Management has explained us that, it is in process of renegotiating the terms of these loans with the Institutions.
- (xii) As informed to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; accordingly, there is no necessity as to maintaining documents and records in this respect.
- (xiii) The provisions of any special statute in respect of chit fund, nidhi, mutual benefit funds or societies are not applicable to the Company.
- (xiv) The Company has not dealt or traded in shares, securities, debentures and other investments; hence maintenance of records for the same does not arise.
- (xv) The management has informed us that, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.
- (xvi) As per the explanation given by the management, the term loans were applied for the purposes for which they were obtained. We are explained that, the Company is in to the business of production and distribution of films, and the term loans are raised for different projects of making films and are used inter changeably depending upon need of the concerned project; however that, entire film production segment is treated as one segment for the purpose of this clause.

- (xvii) As explained to us by the management, there were no funds that were raised on a short-term basis, which have been applied for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The Company has not issued any debentures; hence no security or charges have been created in respect of the same.
- (xx) The Company has not made any public issues of shares during the year; hence disclosure requirement as to end utilization of public issue money is not required
- (xxi) As informed by the management, there has not been noticed or reported any fraud on or by the Company during the year.

**FOR SHAH, SHAH & SHAH**  
**CHARTERED ACCOUNTANTS**

**(Mehul Shah)**

**PARTNER**

**Firm Regd. No:** 116457W

**Membership No.:** 049361

**Mumbai:** May 30, 2012





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**BALANCE SHEET AS ON MARCH 31, 2012**

Particulars	Note No.	As on 31st March, 2012 (01/04/2011 to 31/03/2012)		As on 31st March, 2011 (01/10/2010 to 31/03/2011)	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	1	824,682,155		824,682,155	
(b) Reserves and surplus	2	4,140,696,904		4,122,273,760	
(c) Money received against share warrants		-	4,965,379,059	-	4,946,955,915
<b>2 Share application money pending allotment</b>			-		-
<b>3 Non-current liabilities</b>					
(a) Long-term borrowings	3	1,159,996,293		2,558,940,511	
(b) Deferred tax liabilities (Net)	4	11,707,222		12,277,550	
(c) Other Long term liabilities	5	-		-	
(d) Long-term provisions	6	1,579,127	1,173,282,642	1,461,466	2,572,679,527
<b>4 Current liabilities</b>					
(a) Short-term borrowings	7	1,683,176,671		560,758,528	
(b) Trade payables	8	1,585,814,178		950,081,598	
(c) Other current liabilities	9	319,478,338		228,098,044	
(d) Short-term provisions	10	28,084,798	3,616,553,985	49,268,529	1,788,206,699
<b>TOTAL</b>			<b>9,755,215,686</b>		<b>9,307,842,141</b>
<b>II. ASSETS</b>					
<b>Non-current assets</b>					
<b>1 (a) Fixed assets</b>	11				
(i) Tangible assets		173,020,324		191,881,702	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		617,629,975		1,333,720,329	
(iv) Intangible assets under development		-		-	
		790,650,299		1,525,602,031	
(b) Non-current investments	12	16,245,280		14,502,000	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	13	8,533,797,260		7,423,343,345	
(e) Other non-current assets	14	41,422,663	9,382,115,503	1,970,758	8,965,418,134
<b>2 Current assets</b>					
(a) Current investments	15	-		-	
(b) Inventories	16	-		-	
(c) Trade receivables	17	251,417,241		137,474,996	
(d) Cash and Bank Balances	18	12,916,927		58,172,097	
(e) Short-term loans and advances	19	108,160,761		113,140,396	
(f) Other current assets	20	605,254	373,100,183	33,636,518	342,424,007
<b>TOTAL</b>			<b>9,755,215,686</b>		<b>9,307,842,141</b>

Contingent Liabilities &amp; Commitments 21

OTHER NOTES ON ACCOUNT 31

AS PER OUR REPORT OF EVEN DATE  
**FOR SHAH, SHAH & SHAH**  
**CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD OF  
**SHREE ASHTAVINAYAK CINE VISION LIMITED**

**PARTNER**  
(Mehul Shah)  
M. No.: 049361  
FRN: 116495VV  
Mumbai: May 30, 2012

Dhilin Mehta  
**CHAIRMAN AND MANAGING DIRECTOR**

Rupen Amlani Dhaval Jatania Hiren Gandhi  
**WHOLE TIME DIRECTORS**

A. H. Andhare  
**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

SHREE ASHTAVINAYAK CINE VISION LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	For The Year Ended 31st March, 2012 (01/04/2011 to 31/03/2012)		For The Period Ended 31st March, 2011 (01/10/2010 to 31/03/2011)	
		₹	₹	₹	₹
I Revenue from operations	22		854,497,607		820,557,399
II Other income	23		891,642,422		173,328,224
III Total Revenue (I + II)			1,746,140,029		993,885,623
IV Expenses:					
Cost of Producing & Distributing Films	24	664,025,896		589,728,416	
Purchases of Stock-in-Trade	25	-		-	
Changes in the inventories of finished goods work-in-progress and Stock-in-Trade	26	-		-	
Employee benefits expense	27	10,042,284		5,038,873	
Finance costs	28	274,433,980		82,840,111	
Depreciation and amortization expense	11	633,636,707		412,517,836	
Other expenses	29	85,970,761		37,826,023	
Total expenses			1,668,109,627		1,127,951,259
V Profit before exceptional and extraordinary items and tax (III-IV)			78,030,403		(134,065,636)
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			78,030,403		(134,065,636)
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			78,030,403		(134,065,636)
X Tax expense:	30				
(1) Current tax		26,783,000		(47,295,000)	
(2) Tax Adjustment of earlier years		(26,402,672)		471,064	
(3) Deferred tax		(570,328)	(190,000)	(104,852)	(46,928,788)
XI Profit (Loss) for the period from continuing operations (VII-VIII)			78,220,403		-87,136,848
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			78,220,403		(87,136,848)
XVI Earnings per equity share:					
(1) Basic			0.09		(0.11)
(2) Diluted			0.09		(0.11)

OTHER NOTES ON ACCOUNT

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AS PER OUR REPORT OF EVEN DATE  
FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

(Mehul Shah)  
PARTNER

FRN: 116495W  
M. No.: 049361  
Mumbai: May 30, 2012

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

Dhilin Mehta  
CHAIRMAN AND MANAGING DIRECTOR

Rupen Amlani Dhaval Jatania Hiren Gandhi  
WHOLE TIME DIRECTORS

A. H. Andhare  
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY



# SHREE ASHTAVINAYAK CINE VISION LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(All Amount in ₹)

Particulars	For The Year Ended 31st March, 2012 (01/04/2011 to 31/03/2012)	For The Period Ended 31st March, 2011 (01/10/2010 to 31/03/2011)
<b>A. Cash flow from operating activities</b>		
Profit before taxation	78,030,403	(134,065,636)
Adjustment for:		
Depreciation and amortisation	633,636,707	412,517,836
Interest and other finance costs	112,339,757	89,707,060
Interest income	(237,881,806)	(171,791,649)
Sundry balances written back	(11,997,731)	(1,536,575)
Profit on sale of fixed assets	(3,916,444)	-
Unrealised loss on exchange difference (net)	(475,752,218)	20,619,328
Bad-Debts written off	44,357,010	-
Sundry advances written off	203,924,133	-
Provision for gratuity	117,661	254,215
<b>Operating profit before working capital changes</b>	<b>342,857,471</b>	<b>215,704,579</b>
Adjustment for:		
Sundry debtors	(113,942,245)	162,778,659
Other Current Assets	(6,420,641)	111,526,000
Loans and advances	(1,105,474,281)	96,982,045
Current liabilities	703,808,735	(116,077,736)
<b>Net cash generated from operating activities</b>	<b>(179,170,961)</b>	<b>470,913,547</b>
Taxes paid	(61,269,628)	(25,529,535)
<b>Net cash flow from operating activities</b>	<b>(240,440,589)</b>	<b>445,384,012</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets and change in capital work in progress	356,902,501	(360,305,843)
Advances / Expenses for purchase of film rights (Production)	(197,547,790)	(199,000,000)
Advances for purchase of film distribution rights	(161,700,000)	-
Proceeds from sale of fixed assets	12,975,000	-
Loan to subsidiary	(437,985)	(46,576,000)
Rent income	-	-
Interest received	6,396	129,786
<b>Net cash used in investing activities</b>	<b>10,198,122</b>	<b>(605,752,057)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid (including tax thereon)	-	(19,379,503)
Proceeds from issue of shares	-	-
Proceeds from borrowings	585,799,773	923,438,690
Repayment of borrowings	(317,619,953)	(984,173,107)
Interest paid	(84,531,575)	(41,538,380)
Expenses on issue of shares charged to securities premium	-	-
<b>Net cash flow from financing activities</b>	<b>183,648,245</b>	<b>(121,652,300)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(46,594,222)</b>	<b>(282,020,344)</b>
Exchange impact on cash and cash equivalents	(514,505)	(59,369)
Cash and cash equivalents at the beginning of the year	58,089,333	340,169,046
Cash and cash equivalents at the year end	10,980,606	58,089,333

\* The cost of films produced & distribution rights acquired are treated as fixed assets & accordingly amortised. The revenue collections there against are reflected in cash flow from operating activities.

FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

Dhilin Mehta  
CHAIRMAN AND MANAGING DIRECTOR

(Mehul Shah)  
PARTNER  
FRN: 116495W  
M. No.: 049361  
Mumbai: May 30, 2012

Rupen Amlani

Dhaval Jatania

Hiren Gandhi

WHOLE TIME DIRECTORS

A. H. Andhare  
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 1 SHARE CAPITAL**

**Disclosure pursuant to Note no. 6(A)(a, b & c) of Part I of Schedule VI to the Companies Act, 1956**

Share Capital	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of Rs. 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
<b>Issued</b> Equity Shares of ₹ 1 each	824,682,155	824,682,155	824,682,155	824,682,155
<b>Subscribed &amp; Paid up</b> Equity Shares of ₹ 1 each fully paid	824,682,155	824,682,155	824,682,155	824,682,155
<b>Subscribed but not fully Paid up</b> Equity Shares of ₹ 1 each, not fully paid up	-	-	-	-
<b>Total</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>

The Details of Number of Shares Outstanding is set out below :-

**Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956**

Particulars - Equity Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	824,682,155	824,682,155	824,682,155	824,682,155
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>

Particulars - Preference Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

**Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956**

NIL Equity Shares (NIL Previous year) are held by None, the holding company.

The reconciliation of Shareholders holding more than 5% :-

**Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (more than 5%)**

Name of Shareholder	31st March, 2012		31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
-	-	0%	-	0%

**Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Year (Aggregate No. of Shares)				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Equity Shares :-</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	632,467,240	27,278,484
Shares bought back	-	-	-	-	-
<b>Preference Shares:</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

**Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956**

<b>Unpaid Calls</b>	₹
By Directors	-
By Officers	-
Others	-

**Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule VI to the Companies Act, 1956**

Particulars - Equity Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Forfeited shares (amount originally paid up)	-	-	-	-

Particulars - Preference Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Forfeited shares (amount originally paid up)	-	-	-	-

**Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule VI to the Companies Act, 1956**

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
<b>Equity Shares</b>	824,682,155	Parri Pasu None	824,682,155	Parri Pasu None
Restrictions on the distribution of dividends				
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

Particulars	Number	Description	Number	Description
<b>Preference Shares</b>	-		-	
Preferential rights in respect of payments of fixed dividend and repayment of capital.	-	Not Applicable	-	Not Applicable
Voting rights or with differential voting rights as to dividend		Not Applicable		Not Applicable
Full or partial participating rights in surplus profits or surplus capital		Not Applicable		Not Applicable
Cumulative, noncumulative, redeemable, convertible, non-convertible		Not Applicable		Not Applicable

**Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-

**Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
Equity Shares	19,347,756	FCCB	19,347,756	FCCB
Bonus on above as per terms of FCCB Issue	77,391,024	Bonus on conversion of FCCB	77,391,024	Bonus on conversion of FCCB
Preference Shares	-	-	-	-
Warrants / Bonds	-	-	-	-
Debentures	-	-	-	-

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 2 RESERVES AND SURPLUS**

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
₹	₹	₹
<b>a. Capital Reserves</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>c. Securities Premium Reserve</b>		
Opening Balance	3,422,707,834	3,449,042,966
Add: Securities premium credited on Share issue	-	-
Less: Provision on Premium on Redemption of FCCB	61,540,539	26,335,132
For Issuing Bonus Shares	-	-
For Other Reasons	-	-
Closing Balance	<b>3,361,167,295</b>	<b>3,422,707,834</b>
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>f. Share Options Outstanding Account</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>g. General Reserve</b>		
Opening Balance	12,044,926	12,044,926
Add:- Current Year Transfer	-	-
Less :- Written Back in Current Year	-	-
Closing Balance	<b>12,044,926</b>	<b>12,044,926</b>
<b>h. Foreign Currency Translation Reserve</b>		
Opening Balance	1,461,600	1,537,200
Add:- Current Year Transfer	1,743,280	-
Less:- Current Year Transfer	-	75,600
Closing Balance	<b>3,204,880</b>	<b>1,461,600</b>
<b>i. Surplus</b>		
Opening balance	686,059,400	773,196,248
Add :- Net Profit / (Net Loss) For the current year	78,220,403	(87,136,848)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>764,279,803</b>	<b>686,059,400</b>
<b>Total Reserves &amp; Surplus</b>	<b>4,140,696,904</b>	<b>4,122,273,760</b>



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 3 LONG-TERM BORROWINGS**

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
<b><u>Secured</u></b>		
<b>(a) Bonds / debentures</b> NIL (Previous Year: NIL) NIL % Debentures of ₹ NIL each redeemable at Par on N.A. (secured by N. A.) (of the above, ₹ NIL is guaranteed by Directors and / or others) Details of redeemed bonds / debentures which the company has power to reissue: None	-	-
<b>(b) Term loans</b> From Banks *	350,343,680	705,570,576
From Financial Institutions #	12,099,001	107,655,788
<b>(c) Deferred payment liabilities</b> (Secured by Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(d) Deposits</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable.	-	-
<b>(f) Long term maturities of finance lease obligations</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment : Not Applicable.	-	-
<b>Total Secured Long Term Borrowings</b>	<b>362,442,681</b>	<b>813,226,364</b>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)		
1. Period of default - None		
2. Amount - NIL		
<b><u>Unsecured</u></b>		
<b>(a) Bonds/debentures</b> NIL (Previous Year: NIL) NIL % Debentures of ₹ NIL each redeemable at Par on N.A. (of the above, ₹ NIL is guaranteed by Directors and / or others) Details of redeemed bonds/debentures which the company has power to reissue: None	-	-
<b>(b) Term loans</b> From banks From other parties (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable	-	-
<b>(c) Deferred payment liabilities</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

<b>(d) Deposits</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> Terms of Repayment : Interest 0%	765,477,503	764,564,970
<b>(f) Long term maturities of finance lease obligations</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances</b> (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment : Not Applicable Inter-corporate Deposits Foreign Currency Convertible Bonds	32,076,109 -	15,503,627 965,645,550
<b>Total Unsecured Long Term Borrowings</b>	<b>797,553,612</b>	<b>1,745,714,147</b>
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u> 1. Period of default - 12 months 2. Amount - Rs. 9,176,109		
<b>Total Long Term Borrowings</b>	<b>1,159,996,293</b>	<b>2,558,940,511</b>

\* Term loans from banks are taken for the specific purpose of making the films and are repayable within 18 months or release of movie whichever is earlier, with an understanding to extend the same as circumstances warrant. Interest rate for the same varies from 10.5% to 14% p.a. The project loans are secured by way of exclusive first charge on Assets acquired or film produced there-against further secured by second charge of whole of current assets including receivables, debts pledge of shares by promoter, Managing Director's personal guarantee and equitable mortgage of property owned by third party. Few loans from banks are secured against property and the interest rate varies from 11.0% to 13.5%, repayable by aggregate Equated Monthly Installments of ₹ 1,551,784 and last installments of the loan will be in July 2016.

# Term loans from financial institution are secured against hypothecation of vehicles and the interest rate is 8.35% (19.1% Monthly Reducing). The term loans have tenure of 36 months and repayable by Equated Monthly Installments and last installments of the loan will be in August 2014. Further, All the loans from financial institutions are secured by personal guarantee of the Managing Director of the Company.

#### **Note 4 DEFERRED TAX LIABILITIES (NET)**

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>Deferred tax liability</b>		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	15,215,283	12,751,723
Others	-	-
Gross deferred tax liability	15,215,283	12,751,723
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	3,508,061	474,173
Others	-	-
Gross deferred tax asset	3,508,061	474,173
<b>Net deferred tax liability / (asset)</b>	<b>11,707,222</b>	<b>12,277,550</b>





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 5 OTHER LONG TERM LIABILITIES**

Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) Trade Payables	-	-
(b) Others	-	-
<b>Total Other Long Term Liabilities</b>	-	-

**Note 6 LONG TERM PROVISIONS**

Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) <u>Provision for employee benefits</u>		
Superannuation (unfunded)	-	-
Gratuity (unfunded)	1,579,127	1,461,466
Leave Encashment (unfunded)	-	-
ESOP / ESOS	-	-
<b>Total (a)</b>	1,579,127	1,461,466
(b) <u>Others</u>	-	-
<b>Total (b)</b>	-	-
<b>Total Long Term Provisions (a+b)</b>	<b>1,579,127</b>	<b>1,461,466</b>

**Note 7 SHORT-TERM BORROWINGS**

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b><u>Secured :</u></b>		
(a) <b>Loans repayable on demand</b>		
From Banks *	225,512,726	254,922,200
From others	-	-
(b) <b>Loans and advances from related</b> (Secured By Not Applicable) (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
(c) <b>Deposits</b> (Secured By Not Applicable) (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
(d) <b>Other loans and advances</b>		
Term Loans ^	257,368,693	13,068,598
Corporate Loans #	100,000,000	77,791,349
<b>Total Secured Short Term Borrowings</b>	<b>582,881,419</b>	<b>345,782,147</b>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default - Three Months		
2. Amount - Interest amounting to ₹ 9,233,206		
<b><u>Unsecured</u></b>		
(a) <b>Loans repayable on demand</b>		
from banks	-	-
from other parties		
(of the above, ₹ NIL is guaranteed by Directors and / or others)		

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

<b>(b) Loans and advances from related parties</b> (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(c) Deposits</b> (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(d) Other loans and advances</b> Terms of Repayment Not Applicable	-	-
1. Firms	-	81,250,000
2. Inter-corporate Deposits (of the above, ₹ None is guaranteed by Directors and / or others)	-	133,726,381
3. Foreign Currency Convertible Bonds (FCCB) Repayable on December 21, 2012, if option not exercised. Refer Note No. 7 of Other Notes to Accounts	1,100,295,252	-
<b>Total Unsecured Short Term</b>	1,100,295,252	214,976,381
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</u>		
1. Period of default - None	-	-
2. Amount - NIL	-	-
<b>Total Short Term Borrowings</b>	<b>1,683,176,671</b>	<b>560,758,528</b>

\* Loans repayable on demand from bank which are secured against collateral security of commercial premises and hypothecation of asset of a company wherein certain directors of the company are interest as directors and personal guarantee of Managing Director. Subservient charge on whole of the current assets of the company all types of stock and stores, bills receivables, book debts and all receivables and movables both present and future. (Stock includes negatives of all the films and versions thereof all right, titles and interest under the agreement including agreement concerning distribution, exploitation, copyrights, patents, trademarks, trade names general intangibles pertaining to films, etc.) and Hypothecation of assets there against equitable mortgage of office or residential premises of the company and pledge of shares of Company held by Directors.

# Corporate loan from financial institution are secured against Pledge of shares of directors & collateral security of property of third party and the interest rate is 14%. The loans have tenure of 24 months and repayable in November 2012. Further, All the loans from banks is secured by personal guarantee of the Managing Director of the company.

**Note 8 TRADE PAYABLES**

**Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) Trade Payables	51,375,180	36,213,309
(b) Others	1,534,438,998	913,868,289
<b>Total Trade Payables</b>	<b>1,585,814,178</b>	<b>950,081,598</b>

**Note 9 OTHER CURRENT LIABILITIES**

**Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	41,208,224	16,964,925
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	152,861	98,543
(g) Application money received for allotment of securities and due for refund	-	-
Interest accrued on (g) above	-	-
Number of shares proposed to be issued: _____	-	-
Amount of premium (if any): _____	-	-
Terms and conditions of shares proposed to be issued:	-	-



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

Date by which shares shall be allotted: _____	-	
Whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money - Not Applicable.		
The period overdue from the last date of allotment is 0; reason being --		
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables		
a. Premium on Redemption of FCCB	240,081,948	155,194,159
b. Advances for Projects	4,000,000	-
c. Duties & Taxes	34,035,304	55,840,417
<b>Total Current Liabilities</b>	<b>319,478,338</b>	<b>228,098,044</b>

**Note 10 SHORT TERM PROVISIONS**

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
<b>(b) Others</b>		
Provision for Taxation	28,084,798	49,268,529
<b>Total Short Term Provisions</b>	<b>28,084,798</b>	<b>49,268,529</b>

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

Note 11  
FIXED ASSETS

Particulars	Gross Block			Depreciation / Amortisation			Net Block	
	As at 1st April, 2011	Additions / Deductions	As at 31st March, 2012	As at 1st April, 2011	Depreciation for the year	Deductions / Adjustments	As at 31st March, 2012	As at 31st March, 2012
	₹		₹	₹	₹	₹	₹	₹
<b>a</b>								
<b>Tangible Assets</b>								
Buildings *	111,878,181	(9,653,770)	102,224,411	7,476,936	1,828,610	595,214	8,710,331	93,514,080
Furniture & Fixtures	44,025,353	-	44,025,353	6,974,807	2,798,971		9,763,778	34,261,575
Office & Other Equipments	27,206,154	303,569	27,509,723	3,574,063	1,316,788		4,889,850	22,619,873
Vehicles	36,518,563	(958,313)	35,559,950	11,686,631	3,456,062	804,140	14,338,563	21,221,397
Computers	4,708,442	57,250	4,765,692	2,742,554	619,738	-	3,362,292	1,403,400
<b>Total (A)</b>	<b>224,336,693</b>	<b>(10,251,564)</b>	<b>214,085,129</b>	<b>32,454,991</b>	<b>10,009,169</b>	<b>1,399,354</b>	<b>41,064,805</b>	<b>173,020,324</b>
<b>b</b>								
<b>Intangible Assets</b>								
Production Rights for Films	3,925,511,252	623,627,538	4,549,138,790	3,925,511,252	623,627,538	-	4,549,138,790	-
Distribution Rights for Films	105,000,000	(15,200,000)	89,800,000	105,000,000	-	15,200,000	89,800,000	-
<b>Total (B)</b>	<b>4,030,511,252</b>	<b>608,427,538</b>	<b>4,638,938,790</b>	<b>4,030,511,252</b>	<b>623,627,538</b>	<b>15,200,000</b>	<b>4,638,938,790</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4,254,847,945</b>	<b>598,175,974</b>	<b>4,853,023,919</b>	<b>4,062,966,243</b>	<b>633,636,707</b>	<b>15,599,354</b>	<b>4,880,003,595</b>	<b>173,020,324</b>
Previous Year	4,074,719,830	408,028,115	4,482,747,945	3,878,348,407	412,617,836	-	4,290,866,243	191,881,702
<b>c</b>								
<b>Capital Work In Progress</b>	<b>1,008,537,741</b>	<b>(390,907,766)</b>	<b>617,629,975</b>					<b>617,629,975</b>
<b>Total</b>	<b>1,008,537,741</b>	<b>(390,907,766)</b>	<b>617,629,975</b>					<b>617,629,975</b>
<b>d</b>								
<b>Intangible assets under Development</b>								
<b>Total</b>								

\* Cost of Shares Rs 25,000 (Previous period-Rs 25,000) in Co-operative Housing Society, in respect of 1 Office Premise (Previous Period-1) are included under Item No. 1 Building  
Vehicles includes purchase of Rs 0 (Previous Period: Rs 0) hypothecated with banks and financial institutions.



SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956**

Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets,

Particulars	Year				
	2007-08	2008-09	2009-10	2010-11	2011-12
	₹	₹	₹	₹	₹
<b>Asset details:</b>					
Balance as at 1st April	-	-	-	-	-
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

12 NON CURRENT INVESTMENTS

Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956

Particulars		31st March, 2012 ₹	31st March, 2011 ₹
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment Properties	-	-
	(b) Investment in Equity Instruments	16,245,280	14,502,000
	(c) Investments in preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in debentures or bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in partnership firms*	-	-
	(h) Other non-current investments	-	-
	<b>Total Trade Investments (A)</b>	<b>16,245,280</b>	<b>14,502,000</b>
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment Properties	-	-
	(b) Investment in Equity Instruments	-	-
	(c) Investments in preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in debentures or bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in partnership firms*	-	-
	(h) Other non-current investments	-	-
	<b>Total Other Investments (B)</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A + B)</b>	<b>16,245,280</b>	<b>14,502,000</b>
	Less : Provision for diminution in the value of Investments	-	-
	<b>Total Non Current Investments</b>	<b>16,245,280</b>	<b>14,502,000</b>
Particulars		2012 ₹	2011 ₹
Aggregate amount of quoted investments (Market value of ₹ NIL (Previous Year ₹ NIL))		-	-
Aggregate amount of unquoted investments (Market value of ₹ Not Applicable (Previous Year ₹ Not Applicable))		16,245,280	14,502,000





SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2012	2011			2012	2011	2012	2011		
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>a</b>	<b>Investment Properties</b>											
<b>b</b>	<b>Investment in Equity Instruments</b>											
	1. Shree Ashtavinayak Cine Vision FZE	Subsidiary	1	1	Unquoted	Fully Paid	100%	100%	14,245,280	12,502,000	Yes	
	2. Shree Ashtavinayak LFS Infra Limited	Subsidiary	50,000	50,000	Unquoted	Fully Paid	100%	100%	500,000	500,000	Yes	
	3. Shree Ashtavinayak Dream Pictures Limited	Subsidiary	50,000	50,000	Unquoted	Fully Paid	100%	100%	500,000	500,000	Yes	
	4. Shree Ashtavinayak Light Camera Action Limited	Subsidiary	50,000	50,000	Unquoted	Fully Paid	100%	100%	500,000	500,000	Yes	
	5. Shree Ashtavinayak Passion Movies Limited	Subsidiary	50,000	50,000	Unquoted	Fully Paid	100%	100%	500,000	500,000	Yes	
<b>c</b>	<b>Investments in Preference Shares</b>											
<b>d</b>	<b>Investments in Government or Trust securities</b>											
<b>e</b>	<b>Investments in Debentures or Bonds</b>											
<b>f</b>	<b>Investments in Mutual Funds</b>											
<b>g</b>	<b>Investments in partnership firms*</b>											
<b>h</b>	<b>Other non-current investments</b>											
	<b>Total</b>								<b>16,245,280</b>	<b>14,502,000</b>		

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

B. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2012	2011			2012	2011	2012	2011		
1	2	3	4	5	6	7	8	9	10	11	12	13
a	Investment Properties											
b	Investment in Equity Instruments											
c	Investments in Preference Shares											
d	Investments in Government or Trust securities											
e	Investments in Debentures or Bonds											
f	Investments in Mutual Funds											
g	Investments in partnership firms*											
h	Other non-current investments											
Total												

\* G. Investment in Not Applicable (Name of the Firm)

Name of the Partners	Share of Capital
Partner 1	
Partner 2	
Total Capital	-





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 13 LONG TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. L (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>a. Capital Advances</b>				
Secured, considered good				
Unsecured, considered good	3,155,794,420	3,155,794,420	2,978,002,598	2,978,002,598
Doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
<b>Total (a)</b>		3,155,794,420		2,978,002,598
<b>b. Loans and advances to related parties</b> (refer Note 5 of other notes)				
Secured, considered good		-		-
Unsecured, considered good	5,378,002,840	5,378,002,840	4,445,340,747	4,445,340,747
Others	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Total (b)</b>		5,378,002,840		4,445,340,747
<b>c. Other loans and advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Others	-	-	-	-
Less: Provision for _____	-	-	-	-
<b>Total (c)</b>		-		-
<b>Total Long Term Loans and Advances</b>		8,533,797,260		7,423,343,345

Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

Loans and advances to related parties	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
		-		-

\*Either severally or jointly

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 14 OTHER NON CURRENT ASSETS**

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>a. Long term trade receivables</b>				
Secured, considered good		-		-
Unsecured, considered good		-		-
Others	-	-	-	-
<u>Less:</u> Provision for doubtful debts	-	-	-	-
<b>Total (a)</b>		-		-
<b>b. Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	2,994,069	2,994,069	1,945,069	1,945,069
Others	-	-	-	-
<u>Less:</u> Provision for doubtful deposits	-	-	-	-
<b>Total (b)</b>		2,994,069		1,945,069
<b>c. Others</b>				
Secured, considered good		-		-
<u>Unsecured, considered good</u>		-		-
Prepaid Expenses	3,025		689	
Net Advance Tax	38,400,570		-	
FBT Receivable A.Y. 2007-08	25,000	38,428,595	25,000	25,689
Others	-	-	-	-
<u>Less:</u> Provision for Doubtful debts	-	-	-	-
<b>Total (c)</b>		38,428,595		25,689
<b>d. Debts due by related parties</b>				
Unsecured, considered good		-		-
Others	-	-	-	-
<u>Less:</u> Provision for doubtful debts	-	-	-	-
<b>Total (d)</b>		-		-
<b>Total Other Non-Current Assets</b>		41,422,663		1,970,758

Disclosure pursuant to Note no. M (ii) (iii) of Part I of Schedule VI to the Companies Act, 1956

**Details of debts due by related parties**

Particulars	31st March, 2012	31st March, 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total debts due by related parties</b>	-	-

\*Either severally or jointly



SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 15 CURRENT INVESTMENTS**

Disclosure pursuant to Note no.N (i) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
(a) Investment in Equity Instruments	₹ -	₹ -
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments	-	-
<b>Gross Total</b>	-	-
Less: Provision for diminution in the value of Investments	-	-
<b>Total Current Investments</b>	-	-

  

Particulars	31st March, 2012	31st March, 2011
Aggregate amount of quoted investments (Market value ₹ ) (Previous Year ₹ )	₹ -	₹ -
Aggregate amount of unquoted investments (Previous Year ₹ )	-	-

**Details of Current Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount (₹)	Basis of Valuation
			2012   2011 (4)   (5)	(6)	(7)	(8)   (9)	2012   2011 (10)   (11)	(12)
(1)	(2)	(3)						
(a)	Investment in Equity Instruments							
(b)	Investments in Preference Shares							
(c)	Investments in Government or Trust securities							
(d)	Investments in Debentures or Bonds							
(e)	Investments in Mutual Funds							
(f)	Investments in partnership firms*							
(g)	Other non-current investments							
	<b>Total Current Investments</b>						-	-

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

* G. Investment in _____ (Name of the Firm)	
Name of the Partners	Share of Capital
Partner 1	-
Partner 2	-
Total Capital	-



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 16 INVENTORIES**

Disclosure pursuant to Note no. O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
a. Raw Materials and components (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
b. Work-in-progress (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
c. Finished goods (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
d. Stock-in-trade (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
e. Stores and spares (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
f. Loose Tools (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
g. Others	-		-	
Goods-in transit	-	-	-	-
<b>TOTAL INVENTORIES</b>		-		-

**Note 17 TRADE RECEIVABLES**

Disclosure pursuant to Note no. P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>A. Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	78,637,200	-
Unsecured, considered doubtful	-	-
	78,637,200	-
Less: Provision for doubtful debts	-	-
<b>Sub Total (A)</b>	78,637,200	-
<b>B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	172,780,041	137,474,996
Unsecured, considered doubtful	-	-
	172,780,041	137,474,996
Less: Provision for doubtful debts	-	-
<b>Sub Total (B)</b>	172,780,041	137,474,996
<b>TOTAL TRADE RECEIVABLES (A+B)</b>	<b>251,417,241</b>	<b>137,474,996</b>

Details of Debts Due from Related Parties		
Particulars	31st March, 2012	31st March, 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total Debts Due by Related Parties</b>	-	-

\*Either severally or jointly

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 18 CASH AND BANK BALANCES**

Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>Cash and Cash Equivalents</b>				
A. Balances with banks		10,547,285		57,074,942
B. Cash on hand		433,321		1,014,390
C. Cheques, drafts on hand		-		-
		<b>10,980,606</b>		<b>58,089,333</b>
<b>Earmarked Balances with Banks</b>				
Unpaid Dividend Accounts	152,861		82,764	
Deposit Account with State Bank of India	1,783,460		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity	-	1,936,321	-	82,764
<b>TOTAL CASH &amp; BANK BALANCES (A+B+C+D)</b>		<b>12,916,927</b>		<b>58,172,097</b>

**Note 19 SHORT TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. R (i), (ii) & (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>A. Loans and advances to related parties (refer note 2)</b>				
Secured, considered good		-		-
Unsecured, considered good (Refer Note No. 5)		107,559,561		108,026,000
Others	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Sub Total (A)</b>		107,559,561		108,026,000
<b>B. Others</b>				
Secured, considered good		-		-
Unsecured, considered good To be recoverable in cash or in kind for the value to be received.		601,200		5,114,396
Others	-	-	-	-
Less: Provision for doubtful Debts	-	-	-	-
<b>Sub Total (B)</b>		601,200		5,114,396
<b>TOTAL SHORT TERM LOANS &amp; ADVANCES (A+B)</b>		<b>108,160,761</b>		<b>113,140,396</b>

Disclosure pursuant to Note no. R (iv) of Part I of Schedule VI to the Companies Act, 1956

Details of Loans and advances to related parties

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
<b>Total Loans and advances to related parties</b>		-		-

\*Either severally or jointly



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 20 OTHER CURRENT ASSETS**

Disclosure pursuant to Note no. R (i), (ii) &amp; (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b><u>Security Deposits</u></b>				
Secured, considered good				
Unsecured, considered good	100,000	100,000	31,500,000	31,500,000
Others				
Less: Provision for doubtful deposits				
Prepaid Expenses	505,254	505,254	2,136,518	2,136,518
<b>TOTAL OTHER CURRENT ASSETS</b>		605,254		33,636,518

**Note 21 CONTINGENT LIABILITIES AND COMMITMENTS**

Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>A. Contingent Liabilities</b>				
(1) Claims against the company not acknowledged as debt	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
<b>Sub Total (A)</b>		-		-
<b>B. Commitments</b>				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,317,440,000		2,381,700,000	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments	-		-	
<b>Sub Total (B)</b>		2,317,440,000		2,381,700,000
<b>Total Contingent Liabilities and Commitments (A+B)</b>		2,317,440,000		2,381,700,000



## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

#### Note 22 REVENUE FROM OPERATIONS

Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956

In respect of a company **other than a finance company** revenue from operations shall disclose separately in the notes revenue from

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Sale of Products	738,883,391		820,551,920	
Income from Services	-		-	
Other Operating Revenues	115,614,216		5,479	
<b>Gross Revenue</b>		854,497,607		820,557,399
Less: Excise duty		-		-
<b>Net Revenue From Operations</b>		<b>854,497,607</b>		<b>820,557,399</b>

#### Note 23 OTHER INCOME

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Interest Income</u>				
Interest on Loan to subsidiary	237,840,550		171,661,863	
Other Interest	41,256	237,881,806	129,786	171,791,649
Dividend Income	-	-	-	-
Net gain / (loss) on sale of investments		-		-
<u>Other non-operating income</u>				
Discount	719,640		5,148	
Amounts Written Back	11,278,091		1,531,427	
Foreign Exchange Gain	637,846,441		-	
Profit on Sale of Premises	3,916,444	653,760,616	-	1,536,575
<b>Total Other Income</b>		<b>891,642,422</b>		<b>173,328,224</b>





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 24 COST OF PRODUCING & DISTRIBUTING FILMS**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Total Cost of Production	664,025,896	664,025,896	589,728,416	589,728,416
Total Production Cost		<u>664,025,896</u>		<u>589,728,416</u>

**Note 25 PURCHASE OF STOCK IN TRADE**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Purchase of Stock-in-trade (Net of VAT Paid)	-	-	-	-
Total Purchases		-		-

**Note 26 (INCREASE) / DECREASE IN INVENTORIES**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>Inventories at the end of the year</b>				
Traded Goods				
Work in Progress				
Finished Goods		-		-
<b>Inventories at the beginning of the year</b>				
Traded Goods				
Work in Progress				
Finished Goods		-		-
<b>Net (Increase) / Decrease in Inventories</b>		-		-

**Note 27 EMPLOYEE BENEFIT EXPENSES**

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
(a) Salaries, Wages and bonus				
Salaries	2,757,476		1,584,373	
Directors' Remuneration	6,067,520	8,824,996	2,991,853	4,576,226
(b) Contributions to -				
Provident fund	159,806		88,842	
Superannuation scheme	-	159,806	-	88,842
(c) Employees' Gratuity		117,661		254,215
(d) Social security and other benefit plans for overseas employees				
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)				
(f) Staff welfare expenses		939,821		119,590
<b>Total Employee Benefit Expenses</b>		<u>10,042,284</u>		<u>5,038,873</u>

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 28 FINANCE COST**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Term Loans	67,136,126		50,438,774	
Interest on Other Loans	43,116,945	110,253,071	36,287,077	86,725,851
<u>Other borrowing costs</u>				
Bank Charges	1,011,531		658,837	
Brokerage & Commission	(37,192)		415,122	
Loan Processing Charges	1,112,347	2,086,686	1,907,250	2,981,209
Applicable net loss (gain) on foreign currency transactions and translation		162,094,223		(6,866,949)
<b>Total Finance Cost</b>		<b>274,433,980</b>		<b>82,840,111</b>

**Note 29 OTHER EXPENSES**

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Insurance Charges		803,152		485,948
Legal & Professional Expenses		14,740,498		6,050,279
Telephone & Communication Charges		2,300,923		3,180,257
Travel Expenses		3,037,450		1,372,886
Electricity Charges		1,838,970		1,165,344
Payment to Auditors		1,528,156		1,070,242
Rates & Taxes		2,353,959		1,632,864
Repairs & Maintenance		3,245,688		1,823,490
Other Administrative Expenses		7,291,179		2,136,650
Bad Debts		44,357,010		-
Sundry Expenses		4,473,776		(8,538,538)
Foreign Exchange Loss		-		27,446,600
<b>Total Other Expenses</b>		<b>85,970,761</b>		<b>37,826,023</b>

**Note 30 Tax Expense**

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Current Tax</u>				
Provision for Income Tax		26,300,000		(47,380,000)
Provision for Wealth Tax		483,000		85,000
<b>Total Current Tax Expense</b>		<b>26,783,000</b>		<b>(47,295,000)</b>



SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

**SPECIFIC DISCLOSURES**

**1 Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Total ₹	Per share ₹
Dividends proposed to be distributed to equity shareholders	-	-
Dividends proposed to be distributed to preference shareholders	-	-
Arrears of fixed cumulative dividends on preference shares	-	-

**2 Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956**

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

Not Applicable

**3 Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956**

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.

Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board
		Not Applicable	

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**  
**NOTE 31. OTHER NOTES TO ACCOUNTS**

**i. Background**

Shree Ashtavinayak Cine Vision Limited ("SACVL" or the "Company") was incorporated in 2001 as a private limited Company. In 2004, the Company was converted into a public limited Company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SACVL is engaged in production and distribution/exhibition of motion picture films.

These accounts were made up for the previous year (Comparison period) of six months from 1st October 2010 to 31st March 2011. Any reference to term "year" in these financial statements with reference to financial period from 1st October 2010 to 31st March 2011 may be construed as "period" accordingly.

Since previous period of the accounts are made up for six months, the figures of the Current year (12 months) are not strictly comparable with that of the figures of the current period.

**ii. Basis of preparation**

These financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting, in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous period.

**iii Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statement are prudent and reasonable. The key estimates made by the Company in preparing these financial statements comprise provision for expenses, retirement benefits, provision for doubtful debts and income taxes. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

**iv Significant accounting policies**

**1. 1 Fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost includes purchase cost and all incidental expenses to bring the assets to their present location and condition.

Depreciation on fixed assets other than film productions and film distribution rights is provided on straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets added / disposed off / discarded during the year has been provided on pro-rata basis with reference to the date of addition / disposal / discarding.

Fixed assets having value lower than Rs. 5,000 are depreciated fully in the year of purchase.

**1. 2 Intangible assets and amortisation**

Intangible assets comprising motion pictures produced and motion picture rights which have been acquired and are controlled through custody or legal rights are capitalised at cost, where they can be reliably measured.

Where capitalised, intangible assets are regarded as having a limited useful economic life and the cost is amortised over the lower of economic useful life and period of the legal rights.





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

Where an assignment of rights is for a fixed fee or non refundable guaranteed fee under a non cancellable contract which permits the licensee to exploit those rights freely and the Company has no remaining obligation to perform, the cost capitalised is fully amortised in the year of sale of such rights.

At the expiry of the term of the distribution rights in motion pictures the intangible asset related to the particular agreement is derecognised.

An asset is treated as intangible asset if it is an identifiable non-monetary asset, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Intangible Assets are stated at cost of acquisition less accumulated amortization.

**1. 3 Borrowing cost**

Borrowing costs directly attributable to production of movies, and the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**1. 4 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreases.

**1. 5 Revenues**

**a)** Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**b)** In case of distribution rights of films:

(i) produced or rights acquired, revenue is recognised on accrual basis on receipt of business statements from theatres / sub distributors, etc.

(ii) in case of sale of such distribution rights of films, revenue is recognised on the date of sale of such rights.

**c)** In respect of films produced by the Company and distributed by others, overflow of excess collection over minimum guarantee, net of eligible expenses/ write off is recognised on intimation by distributor.

**d)** Revenue from sale of:

(i) film's satellite rights and video rights are recognised when it arise, based on payment/delivery/telecast milestones specified in the agreements/ arrangements entered with concerned parties.

(ii) other rights of films such as music rights and ring tone rights are recognised from effective date of exploitation of such rights.

**e)** Sale of film produced by the Company is recognised as under:

(i) upon receipt of theatrical release certificate in respect of self release, and  
(ii) upon delivery of exploitation rights in other cases.

**f)** Interest income is recognised on a time proportion basis.

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**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

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**1. 6 Leases**

Rental income or expense on operating leases is recognised on a straight-line basis over the term of the relevant lease.

**1. 7 Investments**

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments and is determined separately for each individual investment. Current investments are stated at lower of cost or fair market value. Cost of investments, includes original cost of acquisition, including brokerage and stamp duty.

**1. 8 Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognised in the Profit and Loss Account. Monetary items denominated in foreign currencies at the period-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical value. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are be recognized as income or as expenses in the period in which they arise. Exchange differences arising on a monetary item that, in substance, forms part of Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment which are recognized as income or as expenses at the time of disposal of such investments.

**1. 9 Employee benefits**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**Defined contribution plan:**

In accordance with the provisions of the employees provident fund regulations, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). The Company's contribution to provident fund is charged to the Profit & Loss Account.

**Defined benefit plan:**

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with local regulations, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The expense is recognised at the present value of the amount payable determined using actuarial valuation carried out by an independent actuary at the balance sheet date using Projected Unit Credit Method.

There is no defined policy enabling the employees to avail encashment of leave.

**1. 10 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**1. 11 Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

**1. 12 Income taxes**

Income tax expense comprises current income tax and deferred tax.

Current taxes

Provision for current income-tax is recognised in accordance with the provisions of (Indian) Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

**1. 13 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

2. The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.
3. Balances in Debtors, Creditors, loans, advances, and other current assets are subject to confirmation and reconciliation.
4. Auditors' remuneration Schedule VI to the Companies Act, 1956 is as under:

Particulars	2011-12	2010-11
As Auditors	1,125,000	462,500
Taxation matters	200,000	400,000
Company law matters	-	-
Management services	-	-
Other Services	23,500	84,000
Reimbursement of expenses	18,100	26,213
Service Tax	161,556	97,529
<b>Total</b>	<b>1,528,156</b>	<b>1,070,242</b>

5. The Company has advanced funds to its various subsidiaries valued at a sum of RS. 5,485,562,401 for various projects and products akin to business of the Group. The Capital Advances, work in progress, and other application of funds made by these subsidiary companies in opinion of the management are good in nature; and the same have been considered as good in the respective annual accounts of the said subsidiary companies.



## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

#### Loans & Advances in the nature of loans pursuant to Clause 32 of the Listing Agreement

Particulars	(Amount in Rs.)			
	31st March, 2012	31st March, 2011	Max Balance for the Period.	Max Balance for the Previous Period
Shree Ashtavinayak Cine Vision FZE	5,321,182,840	4,445,090,747	5,609,905,840	4,445,090,747
Shree Ashtavinayak Light Camera Action	107,559,561	108,026,000	147,661,000	108,026,000
Shree Ashtavinayak LFS Infra Limited	6,555,000	50,000	6,555,000	50,000
Shree Ashtavinayak Dream Pictures Limited	65,000	50,000	65,000	50,000
Shree Ashtavinayak Passion Movies Limited	50,200,000	150,000	51,200,000	150,000

- (a) Amount advanced to subsidiary is in nature of loan, where the loan is re-payable on demand.
- (b) Advances to employees are not in the nature of loans and there are no other advances in the nature of loans.
- (c) No advances in the nature of loan are given to any subsidiary or an associate for investment in shares of the Company.
6. (a) The Company has dispute with certain parties from whom loans were received balance amounting to Rs. 9,176,109 at the yearend against pledge of shares of the directors / promoter group. These parties have not sent their loan confirmations, and the same are reflected in accounts based on the last information available with the Company without prejudice to the Company's rights against these parties as claimed before the hon'ble Court. Certain parties have filed a suit against the Company for recovery of loans including winding up of the Company. The Company is taking appropriate legal remedies to defend the cases.
- (b) The Company is to pay amount due on account of interest amounting to Rs. 9,233,206 to the financial institutions for a period three months on the date of Balance Sheet. The Company is in process of renegotiating the terms of loans with the Institutions. These Institutions have not sent their loan confirmations, and the same are reflected in accounts based on the last information available with the Company.

#### 7. Foreign Currency Convertible Bonds ("FCCB")

The Company has outstanding 2.875 per cent FCCB due in December 2012 of US\$ 100,000 each convertible into equity shares aggregating to US\$ \$ 21,627,000. The Bond holders have the option to convert these FCCB into equity shares of the Company at a price of Rs. 45 (number adjusted after split of face value) per share (reset to Rs. 43.98 (number adjusted after split of face value), subject to further adjustment, if any) with a fixed exchange rate of Rs. 39.35 per US\$ 1, at any time on or after January 21, 2008 and before November 22, 2012.

The FCCB may be redeemed, in whole but not in part, at the option of the Company at any time on or after December 21, 2010 but before December 22, 2012, subject to the satisfaction of certain conditions. The FCCB are redeemable on December 22, 2012 at a premium of 26.41465 percent of their principal amount unless previously converted, redeemed, purchased or cancelled. The Bonds are listed on the Singapore Exchange Securities Trading Limited ('SGXST')

Premium payable on FCCB not converted on the date of these accounts is written off against securities premium account in accordance with section 78 (2) read with section 2 (12) of the Companies Act 1956.

At end of the period, the Company had outstanding bonds of \$ 21,627,000. The Company has received notices for conversion for bonds amounting to \$ 14,777,000 which is pending, awaiting court order.



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

8. In the opinion of the management, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of the business, and are subject to confirmation and reconciliation. The provision for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary. Unsecured loans, items of capital work-in-progress, and capital advances are subject to confirmation. According to management, the amount standing in respective accounts of capital work-in-progress and capital advances are stated at cost.
9. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding:
- Amount due and outstanding to suppliers as at the end of the accounting year;
  - Interest paid during the year;
  - Interest payable at the end of the accounting year;
  - Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the act. The management believes that figure for disclosure will not be significant.

10. There is an outstanding amount of undisputed income-tax of an amount of Rs. 23,668,054 wealth tax of Rs. 285,554 and tax deducted at source of an amount of Rs. 13,928,334 on the Balance Sheet Date for more than six months. The default with respect to wealth tax for Assessment Year 2011-12 is made good by making the payment along with interest on the date of this signing this annual report.

11. **Foreign Currency exposures not covered by forward contracts:**

Particulars	31st March, 2012		31st March, 2011	
	Foreign Currency Amount (\$)	Indian Rupees Amount (Rs.)	Foreign Currency Amount (\$)	Indian Rupees Amount (Rs.)
Foreign currency convertible bonds (FCCB)	\$ 21,627,000	1,100,295,252	\$ 21,627,000	965,645,550
Premium on FCCB	\$ 4,718,963	240,081,948	\$ 3,475,793	155,194,159
Loan to subsidiary	\$ 104,591,219	5,321,182,840	\$ 99,554,104	4,445,090,747
Accrued interest on FCCB loan	\$ 809,974	41,208,224	\$ 379,954	16,964,925
Bank balances	\$ 2,872	146,130	\$ 2,872	128,247

12. **Earning per share is calculated as under:**

Particulars	31st March, 2012	31st March, 2011
<b>Basic earning per share</b>		
Net Profit after taxation as per profit and loss account	78,220,403	(87,136,848)
Weighted average number of shares outstanding for basic EPS	824,682,155	824,682,155
Basic earning per share	0.09	(0.11)
<b>Diluted earning per share</b>		
Net Profit after taxation as per profit and loss account	78,220,403	(87,136,848)
Add / (Less): Interest and potential foreign exchange (gain)/loss on foreign currency convertible bonds ("FCCB") (net of tax)	114,646,435	5,299,068
<b>Adjusted net profit</b>	<b>192,866,838</b>	<b>(81,837,780)</b>
Weighted average number of shares outstanding for the period	824,682,155	824,682,155
Add: Potential shares on conversion of FCCB including eligible bonus shares thereon	96,738,780	96,738,780
<b>Adjusted weighted average number of shares outstanding for dilutive EPS</b>	<b>921,420,935</b>	<b>921,420,935</b>
<b>Anti Dilutive EPS</b>	<b>0.21</b>	<b>(0.09)</b>
<b>Diluted earning per share</b>	<b>0.09</b>	<b>(0.11)</b>

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

<b>13.</b>	<b>Directors' Remuneration</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
	Within the limits of Schedule XIII to the Companies Act 1956	6,067,520	2,991,853

- During the year, the Company has written off RS. 203,924,133 incurred towards incomplete films the production of which was stalled owing to multiple reasons.

**15. Disclosure of Provisions as required by AS-29 is as under:**

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during	Closing Balance
	Rs.	Rs.	Rs.	Rs.
Income-tax Provision (A)	200,720,000	26,300,000	66,317,997	160,702,003
Income-tax Paid (B)	151,736,471	61,269,628	41,220,325	171,785,775
<b>Net balance (A-B)</b>	<b>48,983,529</b>	<b>(34,969,628)</b>	<b>25,097,672</b>	<b>(11,083,772)</b>
Wealth-tax Provision	285,000	483,000	-	768,000

**16. Related Party Disclosures, as required by AS-18 are given below:**

<b>List of related parties other than where control exists with whom the Company has entered into transactions during the year</b>	
Subsidiaries	Shree Ashtavinayak Cine Vision FZE Shree Ashtavinayak LFS Infra Limited Shree Ashtavinayak Dream Pictures Limited Shree Ashtavinayak Light Camera action Limited Shree Ashtavinayak Passion Movies Limited
Key management personnel (KMP)	Dhilin H. Mehta - Chairman and Managing Director Rupen Amlani - Whole time Director Hiren Gandhi - Whole time Director Dhaval Jatania - Whole time Director
Relatives of KMP	Preeti D. Mehta - Wife of Chairman and Managing Director Pankti H. Mehta - Sister of Chairman and Managing Director
Enterprise over which KMP have significant influence	Dahlia Traders Private Limited

During the year, the following transactions were carried out with related parties in the ordinary course of business:

<b>PARTICULARS</b>	<b>31st March, 2012</b>	<b>31st March,</b>
<b>Transactions with subsidiaries</b>		
Interest income		
Shree Ashtavinayak Cine Vision FZE	237,840,550	171,661,863
Sale of film to Shree Ashtavinayak Light Camera action Limited	194,200,000	-
<b>Investments made in subsidiaries</b>		
Shree Ashtavinayak LFS Infra Limited *	-	-
Shree Ashtavinayak Dream Pictures Limited *	-	-
Shree Ashtavinayak Light Camera action Limited *	-	-
Shree Ashtavinayak Passion Movies Limited *	-	-
* shares acquired from KMP and relatives of KMP	-	
<b>Loans granted</b>		
Shree Ashtavinayak Cine Vision FZE	66,000	-
{includes unrealised foreign exchange gain of Rs. Nil (Previous Period unrealised foreign exchange gain of Rs. Nil)}		





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

<b>Loans Recovered</b>		
Shree Ashtavinayak Cine Vision FZE {includes unrealised foreign exchange loss: Nil (Previous Period: unrealised foreign exchange loss of Rs. 190,938,477)}	-	-
<b>Reimbursement of Expenses</b>		
Shree Ashtavinayak Light Camera action Ltd.	-	-
<b>Balance outstanding as at year-end</b>		
Investment		
Shree Ashtavinayak Cinevision FZE	14,245,280	12,502,000
Shree Ashtavinayak LFS Infra Ltd.	500,000	500,000
Shree Ashtavinayak Dream Pictures Ltd.	500,000	500,000
Shree Ashtavinayak Light Camera action Ltd.	500,000	500,000
Shree Ashtavinayak Passion Movies Ltd.	500,000	500,000
<b>Loans</b>		
Shree Ashtavinayak Cine Vision FZE	-	4,445,090,747
Shree Ashtavinayak LFS Infra Ltd.	-	50,000
Shree Ashtavinayak Dream Pictures Ltd.	-	50,000
Shree Ashtavinayak Light Camera action Ltd.	107,559,561	-
Shree Ashtavinayak Passion Movies Ltd.	-	150,000
<b>Share Application money</b>		
Shree Ashtavinayak Light Camera action Ltd.	-	108,026,000
<b>Other Transactions</b>		
Rent paid	1,855,158	1,464,624
Compensation income	-	-
Deposit given for premises taken on operating lease	1,500,000	1,500,000
Capital advances given for purchase of fixed assets	-	-
Realizations of sundry debtors	-	-
Refund of capital advances	-	-
Loans taken	48,542,518	803,256,877
Loans repaid	47,629,985	130,576,907
<b>Balance outstanding as at year-end</b>		
Sundry debtors	203,109,649	15,397,258
Deposits receivable	1,500,000	1,500,000
Advances receivable	-	-
Loans payable	765,477,503	764,564,970
<b>Transactions with KMP and their relatives</b>		
Remuneration		
- to Chairman and Managing Director	3,484,667	6,918,330
- to other Whole time Directors	3,478,140	4,138,208
Purchase of shares of from KMP	-	-
Purchase of shares of from relatives of KMP	-	-

Notes:

Related party relationship have been identified by the management and relied upon by the auditors.

During the period, some loan creditors, whom equity shares of the Company held by the Related parties were offered as securities, liquidated the shares against loans granted to the Company. The amount recovered by the loan creditors is accordingly removed from their account and credited to the concerned related parties. The same are reflected in above statement as loans taken and given.

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

The Company is in business of producing and distributing motion films, and we are explained that the films being solitary products do not have determinable market value. During the year, the Company has sold one of the films produced by the Company to its subsidiary Shree Ashtavinayak Light Camera action Limited below the cost it incurred in producing the film and incurred a loss of RS. 21.19 Crore. The Management has explained us that, the film sold is at fair price considering reliability of the product in market.

**17. Operating leases**

The Company has no leased facilities under non-cancellable operating leases. The Company's office facilities are under cancellable operating lease agreements.

PARTICULARS	(Amount in Rs. )	
	31st March, 2012	31st March,
Total lease rent under cancellable operating leases	4,894,737	1,529,424

**18. Employee retirement and other benefits**

The following are employee benefit plans applicable to the Company.

Defined Contribution Plan		(Amount in Rs. )	
PARTICULARS		31st March, 2012	31st March,
Contribution to Provident Fund		159,806	88,842

**Defined benefit plan**

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the Balance sheet date, carried out by an independent actuary.

The following table sets forth the funded status of these plans of the Company and amounts recognised in Company's Balance Sheet as per AS 15 (revised) – 'Employees Benefits'.

PARTICULARS	(Amount in Rs. )	
	31st March, 2012	31st March,
Present value of the defined benefit obligation at the end of the year	1,579,127	1,461,466
Fair value of the plan assets	-	-
<b>Net liability</b>	<b>1,579,127</b>	<b>1,461,466</b>

The amount recognised in other income and salary and other benefits in the profit & loss account as follows in respect of the gratuity.

PARTICULARS	(Amount in Rs. )	
	31st March, 2012	31st March,
Current service cost	223,949	170,915
Interest on defined benefit obligation	120,571	87,280
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	(226,859)	(186,826)
Vested Benefit	-	(32,817)
<b>Net Gratuity Cost</b>	<b>117,661</b>	<b>38,552</b>

**Reconciliation of present value of the obligation and the fair value of the plan assets**

PARTICULARS	(Amount in Rs. )	
	31st March, 2012	31st March,
Opening Defined Benefit Cost	1,461,466	1,422,914
Current service cost	223,949	170,915
Interest Cost	120,571	87,280
Past Service Cost	-	(32,817)
Actuarial (gain) / loss on obligations	(226,859)	(186,826)
Benefit paid	-	-
<b>Net Gratuity Cost</b>	<b>1,579,127</b>	<b>1,461,466</b>

**Principal actuarial assumptions at the balance sheet date March 31, 2012**

PARTICULARS	31st March, 2012	31st March,
Discount rate	8.75%	8.25%
Salary escalation	5.00%	5.00%



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

**19. Value of imports calculated on C.I.F basis by the company during the year in respect of –**

	<b>31st March, 2012</b>	<b>31st March, 2011</b>
i Raw materials;	-	-
ii Components and spare parts	-	-
iii Capital goods	-	-
iv Trading Goods	-	-

**20. Other Expenses in Foreign Currency:**

	<b>31st March, 2012</b>	<b>31st March, 2011</b>
i Royalty, Know-how, Professional and Consultation fees, Interest, and Other matters	160,354,485	4,465,312
ii Total value if all imported / indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption	-	-
iii Amount remitted in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-
	160,354,485	4,465,312
iv Earnings in foreign exchange classified under the following heads, namely		
i Export of goods calculated on F.O.B. basis	-	-
ii Royalty, know-how ,professional and consultation fees;	-	-
iii Interest and dividend	-	-
iv Other income, indicating the nature thereof	-	-
	-	-

21 Segment information:

Segment information:

(a) Primary segment:

The Company has disclosed Business Segment as the primary segment.

Particulars	Film production & distribution		Film distribution		Others		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>Segment revenue</b>								
Sales to external customers	854,497,607	820,556,920	-	479	-	-	854,497,607	820,557,399
Inter segment revenue	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>854,497,607</b>	<b>820,556,920</b>	<b>-</b>	<b>479</b>	<b>-</b>	<b>-</b>	<b>854,497,607</b>	<b>820,557,399</b>
<b>Segment result</b>	<b>190,471,711</b>	<b>46,873,444</b>	<b>-</b>	<b>(222,444,461)</b>	<b>-</b>	<b>(1,100,000)</b>	<b>190,471,711</b>	<b>(176,671,017)</b>
Unallocated corporate income	-	-	-	-	891,642,422	173,328,224	891,642,422	173,328,224
Unallocated corporate expense	-	-	-	-	(729,649,751)	(41,015,783)	(729,649,751)	(41,015,783)
Interest and financial expense	-	-	-	-	(274,433,979)	(89,707,060)	(274,433,979)	(89,707,060)
<b>Profit before taxation</b>	<b>190,471,711</b>	<b>46,873,444</b>	<b>-</b>	<b>(222,444,461)</b>	<b>(112,441,308)</b>	<b>(134,065,636)</b>	<b>78,030,403</b>	<b>(134,065,636)</b>
Income taxes	-	-	-	-	26,300,000	(47,380,000)	26,300,000	(47,380,000)
Deferred tax liabilities	-	-	-	-	(570,328)	(104,852)	(570,328)	(104,852)
Tax Adjustment for Earlier Years	-	-	-	-	(26,402,672)	471,064	(26,402,672)	471,064
Wealth tax	-	-	-	-	483,000	85,000	483,000	85,000
<b>Profit after tax</b>	<b>190,471,711</b>	<b>46,873,444</b>	<b>-</b>	<b>(222,444,461)</b>	<b>(112,251,308)</b>	<b>(87,136,848)</b>	<b>78,220,403</b>	<b>(87,136,848)</b>
Segment assets	9,022,942,753	4,471,120,486	174,137,074	12,491,834	-	-	9,197,079,827	4,483,612,320
Unallocated assets	-	-	-	-	691,521,065	4,824,204,821	691,521,065	4,824,204,821
<b>Total assets</b>	<b>9,022,942,753</b>	<b>4,471,120,486</b>	<b>174,137,074</b>	<b>12,491,834</b>	<b>691,521,065</b>	<b>(87,051,848)</b>	<b>9,888,600,892</b>	<b>9,307,817,141</b>
Segment liabilities	591,989,585	778,574,185	1,495,614,293	855,075,791	-	-	2,087,603,878	1,633,649,976
Unallocated liabilities	-	-	-	-	2,835,617,954	2,727,211,249	2,835,617,954	2,727,211,249
<b>Total liabilities</b>	<b>591,989,585</b>	<b>778,574,185</b>	<b>1,495,614,293</b>	<b>855,075,791</b>	<b>2,835,617,954</b>	<b>2,727,211,249</b>	<b>4,923,221,832</b>	<b>4,360,861,225</b>
Cost incurred to acquire	-	-	-	-	-	-	-	-
Segment assets	4,549,138,790	407,500,000	89,800,000	(227,900,000)	-	528,115	4,638,938,790	179,600,000
Unallocated assets	-	-	-	-	-	-	-	528,115
Amortisation/depreciation of	-	-	-	-	-	-	-	-
Segment assets	4,549,138,790	407,500,000	89,800,000	-	-	5,017,836	4,638,938,790	407,500,000
Unallocated depreciation	-	-	-	-	-	-	-	5,017,836





The business of the Company is divided into three segments – Film production & distribution, Film distribution and other. These segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

Film production & distribution, represents share of net income from movies produced/co-produced or in which the Company has invested, and content production and distributed or sold by the Company. Films distribution operation represents acquisition of movie rights for overseas as well as Indian distribution for a fixed period and exploitation thereof. These rights generally include as a package, theatrical rights and video and television rights. Others represent realization from sale of items mainly used production materials such as production sets, costumes and other inventories.

Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

**(a) Geographic segment:**

The Company operates only in India and therefore is considered as a single geographic segment.

Exchange rate difference arising on account of Loans given to foreign non-integral operation is charged to revenue in accordance with paragraph 15 and 16 of AS-11 in view of fixed period of loan. The Exchange rate difference arising on investment value of the non-integral operation is transferred to foreign currency translation reserve in the enterprise's financial statements until the disposal of the net investment, at which time it will be recognized as income or as expenses.

SHREE ASHTAVINAYAK CINE VISION LIMITED  
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

22. Other information pursuant to General Instructions for preparation of Balance Sheet and Profit & Loss Account of Schedule VI to the Companies Act, 1956 is not applicable.

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

Dhilin Mehta  
CHAIRMAN AND MANAGING DIRECTOR

Mumbai: May 30, 2012

Rupen Amlani      Dhaval Jatania      Hiren Gandhi  
WHOLE TIME DIRECTORS

A. H. Andhare  
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY



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## AUDITORS' REPORT

To  
The Members,  
**SHREE ASHTAVINAYAK CINE VISION LIMITED**

We have audited the attached Consolidated Balance Sheet of Shree Ashtavinayak Cine Vision Limited ('the Company') and its subsidiaries (hereinafter collectively referred to as 'the Group') as at **31st March 2012**, and also consolidated Statement of Profit and Loss for the year ended on that date annexed thereto, and Consolidated Cash Flow Statement of the Group for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

We did not audit the financial statements of subsidiaries. These financial statements and other financial information have been audited / reviewed by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other Auditors.

The details of assets and revenues in respect of these subsidiaries and the net carrying cost of investment and the current period share of profit or loss of in respect of these associates, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other Auditors:	(All Amounts in ₹)		
	Total Assets	Total Revenues	Net Cash Inflow
Indian and foreign Subsidiaries	5,934,224,129	9,008,180	(10,156,749)

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard ('AS') 21 "Consolidated Financial Statements" prescribed by the Companies (Accounting Standards) Rules, 2006.

In our opinion, and to the best of information, and according to the explanations given to us, the said accounts give the information required by the Companies Act 1956 in the manner so required, and give a true and fair view in conformity with accounting principles generally accepted in India:

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

(i) in case of the Consolidated Balance Sheet, of the state of affairs of the Group as at **31st March 2012**;

(ii) in case of Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date.



(iii) in case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the period ended on that date.

**FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS**

**(Mehul Shah)**  
**PARTNER**  
**Firm Regn. No:** 116457W  
**Membership No.:** 49361  
**Mumbai:** May 30, 2012

## SHREE ASHTAVINAYAK CINE VISION LIMITED CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2012

Particulars	Note No.	As on 31st March, 2012 (01/04/2011 to 31/03/2012)		As on 31st March, 2011 (01/10/2010 to 31/03/2011)	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	1	824,682,155		824,682,155	
(b) Reserves and surplus	2	3,737,300,698		4,074,990,258	
(c) Money received against share warrants		-	4,561,982,853	-	4,899,672,413
<b>2 Share application money pending allotment</b>			-		200,000,000
<b>3 Non-current liabilities</b>					
(a) Long-term borrowings	3	1,169,546,293		2,558,940,511	
(b) Deferred tax liabilities (Net)	4	11,707,222		12,277,550	
(c) Other Long term liabilities	5	284,250,000		-	
(d) Long-term provisions	6	1,579,127	1,467,082,642	1,461,466	2,572,679,527
<b>4 Current liabilities</b>					
(a) Short-term borrowings	7	1,885,739,589		560,758,528	
(b) Trade payables	8	1,500,014,178		1,065,081,598	
(c) Other current liabilities	9	320,018,425		231,118,380	
(d) Short-term provisions	10	33,384,798	3,739,156,990	54,568,529	1,911,527,035
<b>TOTAL</b>			<b>9,768,222,485</b>		<b>9,583,878,975</b>
<b>II. ASSETS</b>					
<b>Non-current assets</b>					
<b>1 (a) Fixed assets</b>	11				
(i) Tangible assets		173,020,325		191,881,701	
(ii) Intangible assets		215,403,433		-	
(iii) Capital work-in-progress		617,629,975		1,333,720,329	
(iv) Intangible assets under development		-		-	
		1,006,053,733		1,525,602,031	
(b) Non-current investments	12	-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	13	8,648,018,486		7,683,030,080	
(e) Other non-current assets	14	41,422,663	9,695,494,882	2,625,928	9,211,258,039
<b>2 Current assets</b>					
(a) Current investments	15	-		-	
(b) Inventories	16	-		-	
(c) Trade receivables	17	48,307,591		147,600,919	
(d) Cash and Bank Balances	18	16,618,707		71,904,979	
(e) Short-term loans and advances	19	601,200		113,140,396	
(f) Other current assets	20	7,200,104	72,727,602	39,974,642	372,620,937
<b>TOTAL</b>			<b>9,768,222,485</b>		<b>9,583,878,975</b>

Contingent Liabilities & Commitments 21

OTHER NOTES ON ACCOUNT 31

AS PER OUR REPORT OF EVEN DATE  
FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

**PARTNER**  
(Mehul Shah)  
M. No.: 049361  
FRN: 116495V  
Mumbai: May 30, 2012

Dhilin Mehta  
**CHAIRMAN AND MANAGING DIRECTOR**

Rupen Amlani      Dhaval Jatania      Hiren Gandhi  
**WHOLE TIME DIRECTORS**

A. H. Andhare  
**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**  
**MARCH 31, 2012**

Particulars	Note No.	For The Year Ended 31st March, 2012 (01/04/2011 to 31/03/2012)		For The Period Ended 31st March, 2011 (01/10/2010 to 31/03/2011)	
		₹	₹	₹	₹
I Revenue from operations	22		667,811,678		1,241,557,399
II Other income	23		655,295,981		1,666,361
III <b>Total Revenue (I + II)</b>			1,323,107,659		1,243,223,760
IV <b>Expenses:</b>					
Cost of Producing & Distributing Films	24	469,825,896		589,728,416	
Purchases of Stock-in-Trade	25	-		-	
Changes in the inventories of finished goods work-in-progress and Stock-in-Trade	26	-		-	
Employee benefits expense	27	10,791,682		5,597,679	
Finance costs	28	274,433,980		82,851,771	
Depreciation and amortization expense	11	633,636,706		715,817,836	
Other expenses	29	102,428,105		172,289,523	
<b>Total expenses</b>			1,491,116,368		1,566,285,225
V <b>Profit before exceptional and extraordinary items and tax (III-IV)</b>			(168,008,709)		(323,061,465)
VI <b>Exceptional items</b>			-		-
VII <b>Profit before extraordinary items and tax (V - VI)</b>			(168,008,709)		(323,061,465)
VIII <b>Extraordinary Items</b>			-		-
IX <b>Profit before tax (VII- VIII)</b>			(168,008,709)		(323,061,465)
X <b>Tax expense:</b>	30				
(1) Current tax		26,783,000		(51,995,000)	
(2) Tax Adjustment of earlier years		(26,402,672)		471,064	
(3) Deferred tax		(570,328)	(190,000)	(104,852)	(51,628,788)
XI <b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>			(167,818,709)		(271,432,677)
XII <b>Profit/(loss) from discontinuing operations</b>			-		-
XIII <b>Tax expense of discontinuing operations</b>			-		-
XIV <b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			-		-
XV <b>Profit (Loss) for the period (XI + XIV)</b>			(167,818,709)		(271,432,677)
XVI <b>Earnings per equity share:</b>					
(1) Basic			(0.20)		(0.33)
(2) Diluted			(0.20)		(0.33)

**OTHER NOTES ON ACCOUNT**

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AS PER OUR REPORT OF EVEN DATE  
**FOR SHAH, SHAH & SHAH**  
**CHARTERED ACCOUNTANTS**

(Mehul Shah)  
**PARTNER**

FRN: 116495W  
M. No.: 049361  
Mumbai: May 30, 2012

FOR AND ON BEHALF OF THE BOARD OF  
**SHREE ASHTAVINAYAK CINE VISION LIMITED**

Dhilin Mehta  
**CHAIRMAN AND MANAGING DIRECTOR**

Rupen Amlani Dhaval Jatania Hiren Gandhi  
**WHOLE TIME DIRECTORS**

A. H. Andhare  
**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**



SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, :

(All Amount in ₹)

Particulars	For The Year Ended 31st March, 2012 (01/04/2011 to 31/03/2012)	For The Period Ended 31st March, 2011 (01/10/2010 to 31/03/2011)
<b>A. Cash flow from operating activities</b>		
Profit before taxation	(168,008,709)	(323,061,465)
Adjustment for:		
Depreciation and amortisation	633,636,706	715,817,836
Interest and other finance costs	274,433,980	82,851,771
Interest income	(1,535,365)	(129,786)
Sundry balances written back	(11,997,731)	(1,536,575)
Rent income	-	-
Profit on sale of fixed assets	(3,916,444)	-
Unrealised loss on exchange difference (net)	(475,752,218)	20,619,328
Bad-Debts written off	44,357,010	-
Sundry advances written off	203,924,133	-
Provision for gratuity	117,661	254,215
<b>Operating profit before working capital changes</b>	<b>495,259,023</b>	<b>494,815,325</b>
Adjustment for:		
Sundry debtors	99,293,328	162,778,659
Other Current Assets	32,774,538	111,526,000
Loans and advances	(987,756,056)	96,982,045
Current liabilities	727,334,703	(116,077,736)
<b>Net cash generated from operating activities</b>	<b>366,905,536</b>	<b>750,024,292</b>
Taxes paid	(61,269,628)	(31,279,535)
<b>Net cash flow from operating activities</b>	<b>305,635,908</b>	<b>718,744,757</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets and change in capital work in progress	121,321,087	(360,305,843)
Advances for purchase of film rights (Production)	125,805,766	(199,000,000)
Advances for purchase of film distribution rights	(161,700,000)	-
Proceeds from sale of fixed assets	12,975,000	-
Loan to subsidiary	-	-
Rent income	-	-
Interest received	1,500,505	129,786
<b>Net cash used in investing activities</b>	<b>99,902,358</b>	<b>(559,176,057)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid (including tax thereon)	-	(19,379,503)
Proceeds from issue of shares	-	-
Proceeds from borrowings	585,799,773	897,244,242
Repayment of borrowings	(801,869,953)	(1,088,656,598)
Interest paid	(246,625,798)	(217,064,304)
Expenses on issue of shares charged to securities premium	-	-
<b>Net cash flow from financing activities</b>	<b>(462,695,978)</b>	<b>(427,856,163)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(57,157,712)</b>	<b>(268,287,462)</b>
Exchange impact on cash and cash equivalents	17,883	(59,369)
Cash and cash equivalents at the beginning of the year	71,822,215	340,169,046
Cash and cash equivalents at the year end	<b>14,682,386</b>	<b>71,822,215</b>

\* The cost of films produced & distribution rights acquired are treated as fixed assets & accordingly amortised. The revenue collections there against are reflected in cash flow from operating activities.

FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

Dhilin Mehta  
CHAIRMAN AND MANAGING DIRECTOR

(Mehul Shah)  
PARTNER  
FRN: 116495W  
M. No.: 049361  
Mumbai: May 30, 2012

Rupen Amlani

Dhaval Jatania  
WHOLE TIME DIRECTORS

Hiren Gandhi

A. H. Andhare  
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY



## SHREE ASHTAVINAYAK CINE VISION LIMITED

## CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012

## Note 1 SHARE CAPITAL

Disclosure pursuant to Note no. 6(A)(a, b &amp; c) of Part I of Schedule VI to the Companies Act, 1956

Share Capital	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of Rs. 1 each	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
<b>Issued</b>				
Equity Shares of ₹ 1 each	824,682,155	824,682,155	824,682,155	824,682,155
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 1 each fully paid	824,682,155	824,682,155	824,682,155	824,682,155
<b>Subscribed but not fully Paid up</b>				
Equity Shares of ₹ 1 each, not fully paid up	-	-	-	-
<b>Total</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>

The Details of Number of Shares Outstanding is set out below :-

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars - Equity Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	824,682,155	824,682,155	824,682,155	824,682,155
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>	<b>824,682,155</b>

Particulars - Preference Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

NIL Equity Shares (NIL Previous year) are held by None, the holding company.

The reconciliation of Shareholders holding more than 5% :-

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (more than 5%)

Name of Shareholder	31st March, 2012		31st March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
-	-	0%	-	0%

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year (Aggregate No. of Shares)				
	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Equity Shares :-</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	632,467,240	27,278,484
Shares bought back	-	-	-	-	-
<b>Preference Shares:</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012

Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

**Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956**

<b>Unpaid Calls</b>	₹
By Directors	-
By Officers	-
Others	-

**Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule VI to the Companies Act, 1956**

Particulars - Equity Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Forfeited shares (amount originally paid up)	-	-	-	-

Particulars - Preference Shares	31st March, 2012		31st March, 2011	
	Number	₹	Number	₹
Forfeited shares (amount originally paid up)	-	-	-	-

**Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule VI to the Companies Act, 1956**

**Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
<b>Equity Shares</b>	824,682,155	Parri Pasu	824,682,155	Parri Pasu
Restrictions on the distribution of dividends		None		None
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

Particulars	Number	Description	Number	Description
<b>Preference Shares</b>	-		-	
Preferential rights in respect of payments of fixed dividend and repayment of capital.	-	Not Applicable	-	Not Applicable
Voting rights or with differential voting rights as to dividend		Not Applicable		Not Applicable
Full or partial participating rights in surplus profits or surplus capital		Not Applicable		Not Applicable
Cumulative, noncumulative, redeemable, convertible, non-convertible		Not Applicable		Not Applicable

**Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-

**Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.**

Particulars	31st March, 2012		31st March, 2011	
	Number	Description	Number	Description
Equity Shares	19,347,756	FCCB	19,347,756	FCCB
Bonus on above as per terms of FCCB Issue	77,391,024	Bonus on conversion of FCCB	77,391,024	Bonus on conversion of FCCB
Preference Shares	-	-	-	-
Warrants / Bonds	-	-	-	-
Debentures	-	-	-	-



## SHREE ASHTAVINAYAK CINE VISION LIMITED

## CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012

## Note 2 RESERVES AND SURPLUS

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>a. Capital Reserves</b>		
Opening Balance	-	-
On Consolidation	(36,787,250)	71,543,063
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>(36,787,250)</b>	<b>71,543,063</b>
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>c. Securities Premium Reserve</b>		
Opening Balance	3,422,707,834	3,449,042,966
Add: Securities premium credited on Share issue	-	-
Less: Provision on Premium on Redemption of FCCB	61,540,539	26,335,132
For Issuing Bonus Shares	-	-
For Other Reasons	-	-
Closing Balance	<b>3,361,167,295</b>	<b>3,422,707,834</b>
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>f. Share Options Outstanding Account</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>g. General Reserve</b>		
Opening Balance	12,044,926	12,044,926
Add:- Current Year Transfer	-	-
Less :- Written Back in Current Year	-	-
Closing Balance	<b>12,044,926</b>	<b>12,044,926</b>
<b>h. Exchange Fluctuation Reserve</b>		
<b>i. Surplus</b>		
Opening balance	568,694,435	840,127,113
Add :- Net Profit / (Net Loss) For the current year	(167,818,709)	(271,432,677)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>400,875,727</b>	<b>568,694,435</b>
<b>Total Reserves &amp; Surplus</b>	<b>3,737,300,698</b>	<b>4,074,990,258</b>

**SHREE ASHTAVINAYAK ONE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

**Note 3 LONG-TERM BORROWINGS**

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
<b><u>Secured</u></b>		
<b>(a) Bonds / debentures</b> NIL (Previous Year: NIL) NIL % Debentures of ₹ NIL each redeemable at Par on N.A. (secured by N. A.) (of the above, ₹ NIL is guaranteed by Directors and / or others) Details of redeemed bonds/debentures which the company has power to reissue: None	-	-
<b>(b) Term loans</b> From Banks *	350,343,680	705,570,576
From Financial Institutions #	12,099,001	107,655,788
<b>(c) Deferred payment liabilities</b> (Secured by Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(d) Deposits</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable.	-	-
<b>(f) Long term maturities of finance lease obligations</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances</b> (Secured By Not Applicable) (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment : Not Applicable.	-	-
<b>Total Secured Long Term Borrowings</b>	<b>362,442,681</b>	<b>813,226,364</b>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)		
1. Period of default - None		
2. Amount - NIL		
<b><u>Unsecured</u></b>		
<b>(a) Bonds/debentures</b> NIL (Previous Year: NIL) NIL % Debentures of ₹ NIL each redeemable at Par on N.A. (of the above, ₹ NIL is guaranteed by Directors and / or others) Details of redeemed bonds/debentures which the company has power to reissue: None	-	-
<b>(b) Term loans</b> From banks From other parties (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable	-	-
<b>(c) Deferred payment liabilities</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

<b>(d) Deposits</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> Terms of Repayment : Interest 0%	765,477,503	764,564,970
<b>(f) Long term maturities of finance lease obligations</b> (of the above, ₹ None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances</b> (of the above, ₹ None is guaranteed by Directors and / or others) Terms of Repayment : Not Applicable Inter-corporate Deposits Foreign Currency Convertible Bonds	41,626,109 - -	15,503,627 965,645,550
<b>Total Unsecured Long Term Borrowings</b>	<b>807,103,612</b>	<b>1,745,714,147</b>
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u>		
1. Period of default - 12 months 2. Amount - Rs. 9,176,109		
<b>Total Long Term Borrowings</b>	<b>1,169,546,293</b>	<b>2,558,940,511</b>

\* Term loans from banks are taken for the specific purpose of making the films and are repayable within 18 months or release of movie whichever is earlier, with an understanding to extend the same as circumstances warrant. Interest rate for the same varies from 10.5% to 14% p.a. The project loans are secured by way of exclusive first charge on Assets acquired or film produced there-against further secured by second charge of whole of current assets including receivables, debts pledge of shares by promoter, Managing Director's personal guarantee and equitable mortgage of property owned by third party. Few loans from banks are secured against property and the interest rate varies from 11.0% to 13.5%, repayable by aggregate Equated Monthly Installments of ₹ 1,551,784 and last installments of the loan will be in July 2016.

# Term loans from financial institution are secured against hypothecation of vehicles and the interest rate is 8.35% (19.1% Monthly Reducing). The term loans have tenure of 36 months and repayable by Equated Monthly Installments and last installments of the loan will be in August 2014. Further, All the loans from financial institutions are secured by personal guarantee of the Managing Director of the Company.

**Note 4 DEFERRED TAX LIABILITIES (NET)**

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>Deferred tax liability</b>		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	15,215,283	12,751,723
Others	-	-
Gross deferred tax liability	15,215,283	12,751,723
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	3,508,061	474,173
Others	-	-
Gross deferred tax asset	3,508,061	474,173
<b>Net deferred tax liability / (asset)</b>	<b>11,707,222</b>	<b>12,277,550</b>

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

**Note 5 OTHER LONG TERM LIABILITIES**

Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) Trade Payables	-	-
(b) Others	284,250,000	-
<b>Total Other Long Term Liabilities</b>	<b>284,250,000</b>	<b>-</b>

**Note 6 LONG TERM PROVISIONS**

Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<u>(a) Provision for employee benefits</u>		
Superannuation (unfunded)	-	-
Gratuity (unfunded)	1,579,127	1,461,466
Leave Encashment (unfunded)	-	-
ESOP / ESOS	-	-
<b>Total (a)</b>	<b>1,579,127</b>	<b>1,461,466</b>
<u>(b) Others</u>	-	-
<b>Total (b)</b>	-	-
<b>Total Long Term Provisions (a+b)</b>	<b>1,579,127</b>	<b>1,461,466</b>

**Note 7 SHORT-TERM BORROWINGS**

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b><u>Secured :</u></b>		
<b>(a) Loans repayable on demand</b>		
From Banks *	428,075,644	254,922,200
From others	-	-
<b>(b) Loans and advances from related</b> (Secured By Not Applicable) (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(c) Deposits</b> (Secured By Not Applicable) (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(d) Other loans and advances</b>		
Term Loans ^	257,368,693	13,068,598
Corporate Loans #	100,000,000	77,791,349
<b>Total Secured Short Term Borrowings</b>	<b>785,444,337</b>	<b>345,782,147</b>
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default - Three Months		
2. Amount - Interest amounting to ₹ 9,233,206		
<b><u>Unsecured</u></b>		
<b>(a) Loans repayable on demand</b>		
from banks	-	-
from other parties		
(of the above, ₹ NIL is guaranteed by Directors and / or others)		





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

<b>(b) Loans and advances from related parties</b> (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(c) Deposits</b> (of the above, ₹ NIL is guaranteed by Directors and / or others)	-	-
<b>(d) Other loans and advances</b> Terms of Repayment Not Applicable	-	-
1. Firms	-	81,250,000
2. Inter-corporate Deposits (of the above, ₹ None is guaranteed by Directors and / or others)	-	133,726,381
3. Foreign Currency Convertible Bonds (FCCB) Repayable on December 21, 2012, if option not exercised. Refer Note No. 7 of Other Notes to Accounts	1,100,295,252	-
<b>Total Unsecured Short Term</b>	1,100,295,252	214,976,381
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default - None	-	-
2. Amount - NIL	-	-
<b>Total Short Term Borrowings</b>	<b>1,885,739,589</b>	<b>560,758,528</b>

\* Loans repayable on demand from bank which are secured against collateral security of commercial premises and hypothecation of asset of a company wherein certain directors of the company are interest as directors and personal guarantee of Managing Director. Subservient charge on whole of the current assets of the company all types of stock and stores, bills receivables, book debts and all receivables and movables both present and future. (Stock includes negatives of all the films and versions thereof all right, titles and interest under the agreement including agreement concerning distribution, exploitation, copyrights, patents, trademarks, trade names general intangibles pertaining to films, etc.) and Hypothecation of assets there against equitable mortgage of office or residential premises of the company and pledge of shares of Company held by Directors.

# Corporate loan from financial institution are secured against Pledge of shares of directors & collateral security of property of third party and the interest rate is 14%. The loans have tenure of 24 months and repayable in November 2012. Further, All the loans from banks is secured by personal guarantee of the Managing Director of the company.

**Note 8 TRADE PAYABLES**

Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
(a) Trade Payables	51,375,180	36,213,309
(b) Others	1,448,638,998	1,028,868,289
<b>Total Trade Payables</b>	<b>1,500,014,178</b>	<b>1,065,081,598</b>

**Note 9 OTHER CURRENT LIABILITIES**

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	41,208,224	16,964,925
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	152,861	98,543
(g) Application money received for allotment of securities and due for refund	-	-
Interest accrued on (g) above		
Number of shares proposed to be issued: ---		
Amount of premium (if any)		

**SHREE ASHTAVINAYAK ONE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

Terms and conditions of shares proposed to be issued: Date by which shares shall be allotted:-- Whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money The period overdue from the last date of allotment is --; reason being Not Applicable .		
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables		
a. Premium on Redemption of FCCB	240,081,948	155,194,159
b. Advances for Projects	4,000,000	-
c. Duties & Taxes	34,304,726	55,840,417
d. Accruals & Provisions	207,750	80,351
e. Other Liabilities for expenses	62,915	2,939,985
<b>Total Current Liabilities</b>	<b>320,018,425</b>	<b>231,118,380</b>

**Note 10 SHORT TERM PROVISIONS**

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012 ₹	31st March, 2011 ₹
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Funded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
<b>(b) Others</b>		
Provision for Taxation	33,384,798	54,568,529
<b>Total Short Term Provisions</b>	<b>33,384,798</b>	<b>54,568,529</b>



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 11**  
**FIXED ASSETS**

Particulars	Gross Block			Depreciation / Amortisation				Net Block	
	As at 1st April, 2011	Additions / Deductions	As at 31st March, 2012	As at 1st April, 2011	Depreciation for the year	Deductions / Adjustments	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
	₹		₹	₹	₹	₹	₹	₹	₹
<b>a</b>									
<b>Tangible Assets</b>									
Buildings *	111,878,181	(9,653,770)	102,224,411	7,476,936	1,828,610	595,214	8,710,331	104,401,245	93,514,080
Furniture & Fixtures	44,025,353	-	44,025,353	6,974,807	2,788,971		9,763,778	37,050,546	34,261,575
Office & Other Equipment	27,206,154	303,569	27,509,723	3,574,063	1,315,788		4,889,850	23,632,091	22,619,873
Vehicles	36,518,563	(958,613)	35,559,950	11,686,631	3,456,062	804,141	14,338,552	24,831,932	21,221,398
Computers	4,708,442	57,250	4,765,692	2,742,554	619,738	-	3,362,292	1,965,888	1,403,400
<b>Total (A)</b>	<b>224,336,692</b>	<b>(10,251,564)</b>	<b>214,085,128</b>	<b>32,454,991</b>	<b>10,009,168</b>	<b>1,399,355</b>	<b>41,064,804</b>	<b>191,881,701</b>	<b>173,020,325</b>
<b>b</b>									
<b>Intangible Assets</b>									
Production Rights for Films	3,925,511,252	623,627,538	4,549,138,790	3,925,511,252	623,627,538	-	4,549,138,790	-	-
Distribution Rights for Films	408,300,000	200,203,433	608,503,433	408,300,000	-	15,200,000	393,100,000	-	215,403,433
<b>Total (B)</b>	<b>4,333,811,252</b>	<b>823,830,971</b>	<b>5,157,642,223</b>	<b>4,333,811,252</b>	<b>623,627,538</b>	<b>15,200,000</b>	<b>4,942,238,790</b>	<b>-</b>	<b>215,403,433</b>
<b>Total (A+B)</b>	<b>4,558,147,944</b>	<b>813,579,407</b>	<b>5,371,727,351</b>	<b>4,366,266,243</b>	<b>633,636,706</b>	<b>16,599,355</b>	<b>4,983,303,594</b>	<b>191,881,701</b>	<b>388,423,758</b>
Previous Year	4,074,719,830	483,428,115	4,558,147,945	3,850,911,252	482,900,000	-	4,333,811,252	223,808,578	224,336,693
<b>c</b>									
<b>Capital Work In Progress</b>	1,008,537,741	(390,907,766)	617,629,975					1,008,537,741	617,629,975
<b>Total</b>	<b>1,008,537,741</b>	<b>(390,907,766)</b>	<b>617,629,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,008,537,741</b>	<b>617,629,975</b>
<b>d</b>									
<b>Intangible assets under Development</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Cost of Shares Rs 25,000 (Previous period-Rs 25,000) in Co-operative Housing Society, in respect of 1 Office Premise (Previous Period-1) are included under Item No. 1 Building  
Vehicles includes purchase of Rs 0 (Previous Period: Rs 0) hypothecated with banks and financial institutions.

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956**  
Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets,

Particulars	Year				
	2007-08	2008-09	2009-10	2010-11	2011-12
	₹	₹	₹	₹	₹
<b>Asset details:</b>					
Balance as at 1st April	-	-	-	-	-
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31st March	-	-	-	-	-



SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 12 NON CURRENT INVESTMENTS**

Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956

Particulars		31st March, 2012	31st March, 2011
		₹	₹
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment Properties	-	-
	(b) Investment in Equity instruments	-	-
	(c) Investments in preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in debentures or bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in partnership firms*	-	-
	(h) Other non-current investments	-	-
	<b>Total Trade Investments (A)</b>	-	-
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment Properties	-	-
	(b) Investment in Equity instruments	-	-
	(c) Investments in preference shares	-	-
	(d) Investments in Government or Trust securities	-	-
	(e) Investments in debentures or bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in partnership firms*	-	-
	(h) Other non-current investments	-	-
	<b>Total Other Investments (B)</b>	-	-
	<b>Grand Total (A + B)</b>	-	-
	Less : Provision for diminution in the value of Investments	-	-
	<b>Total Non Current Investments</b>	-	-

  

Particulars		2012	2011
		₹	₹
Aggregate amount of quoted investments (Market value of ₹ NIL (Previous Year ₹ NIL))		-	-
Aggregate amount of unquoted investments (Market value of ₹ Not Applicable (Previous Year ₹ Not Applicable))		-	-

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2012	2011			2012	2011	2012	2011		
1	2	3	4	5	6	7	8	9	10	11	12	13
a	Investment Properties											
b	Investment in Equity Instruments											
c	Investments in Preference Shares											
d	Investments in Government or Trust securities											
e	Investments in Debentures or Bonds											
f	Investments in Mutual Funds											
g	Investments in partnership firms*											
h	Other non-current investments											
Total												

B. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2012	2011			2012	2011	2012	2011		
1	2	3	4	5	6	7	8	9	10	11	12	13
a	Investment Properties											



SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

[illegible]

\* **G. Investment in Not Applicable (Name of the Firm)**

Name of the Partners	Share of Capital
Partner 1	
Partner 2	
<b>Total Capital</b>	-

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 13 LONG TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. L (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>a. Capital Advances</b>				
Secured, considered good				
Unsecured, considered good	8,648,018,486	8,648,018,486	7,683,030,080	7,683,030,080
Doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
<b>Total (a)</b>		8,648,018,486		7,683,030,080
<b>b. Loans and advances to related parties</b>				
Secured, considered good		-		-
Unsecured, considered good	-	-	-	-
Others	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Total (b)</b>		-		-
<b>c. Other loans and advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Others	-	-	-	-
Less: Provision for _____	-	-	-	-
<b>Total (c)</b>		-		-
<b>Total Long Term Loans and Advances</b>		8,648,018,486		7,683,030,080

Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

Loans and advances to related parties	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
		-		-

\*Either severally or jointly



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 14 OTHER NON CURRENT ASSETS**

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>a. Long term trade receivables</b>				
Secured, considered good		-		-
Unsecured, considered good		-		-
Others	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-
<b>Total (a)</b>		-		-
<b>b. Security Deposits</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	2,994,069	2,994,069	2,600,239	2,600,239
Others	-	-	-	-
Less: Provision for doubtful deposits	-	-	-	-
<b>Total (b)</b>		2,994,069		2,600,239
<b>c. Others</b>				
Secured, considered good		-		-
Unsecured, considered good		-		-
Prepaid Expenses	3,025		689	
Net Advance Tax	38,400,570		-	
FBT Receivable A.Y. 2007-08	25,000	38,428,595	25,000	25,689
Others	-	-	-	-
Less: Provision for Doubtful debts	-	-	-	-
<b>Total (c)</b>		38,428,594		25,689
<b>d. Debts due by related parties</b>				
Unsecured, considered good		-		-
Others	-	-	-	-
Less: Provision for doubtful debts	-	-	-	-
<b>Total (d)</b>		-		-
<b>Total Other Non-Current Assets</b>		41,422,663		2,625,928

Disclosure pursuant to Note no. M (ii) (iii) of Part I of Schedule VI to the Companies Act, 1956

Details of debts due by related parties

Particulars	31st March, 2012	31st March, 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total debts due by related parties</b>	-	-

\*Either severally or jointly

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 15 CURRENT INVESTMENTS**

Disclosure pursuant to Note no.N (i) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
(a) Investment in Equity Instruments	-	-
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments	-	-
<b>Gross Total</b>	-	-
Less: Provision for diminution in the value of Investments	-	-
<b>Total Current Investments</b>	-	-

Particulars	31st March, 2012	31st March, 2011
	₹	₹
Aggregate amount of quoted investments (Market value ₹ ) (Previous Year ₹ )	-	-
Aggregate amount of unquoted investments (Previous Year ₹ )	-	-

**Details of Current Investments**

Sr. No	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)	Amount (₹)	Basis of Valuation
			2012 (4) 2011 (5)	(6)	(7)	2012 (8) 2011 (9)	2012 (10) 2011 (11)	(12)
(1)	(2)	(3)						
(a)	Investment in Equity Instruments							
(b)	Investments in Preference Shares							
(c)	Investments in Government or Trust securities							
(d)	Investments in Debentures or Bonds							
(e)	Investments in Mutual Funds							
(f)	Investments in partnership firms*							
(g)	Other non-current investments							
	<b>Total Current Investments</b>						- -	



SHREE ASHTAVINAYAK CINE VISION LIMITED

CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

* G. Investment in _____ (Name of the Firm)		
	Name of the Partners	Share of Capital
	Partner 1	-
	Partner 2	-
	<b>Total Capital</b>	<b>-</b>

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 16 INVENTORIES**

Disclosure pursuant to Note no. O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
a. Raw Materials and components (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
b. Work-in-progress (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
c. Finished goods (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
d. Stock-in-trade (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
e. Stores and spares (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
f. Loose Tools (Valued at Not Applicable)	-		-	
Goods-in transit	-	-	-	-
g. Others	-		-	
Goods-in transit	-	-	-	-
<b>TOTAL INVENTORIES</b>		-		-

**Note 17 TRADE RECEIVABLES**

Disclosure pursuant to Note no. P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012	31st March, 2011
	₹	₹
<b>A. Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	17,037,200	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	17,037,200	-
<b>Sub Total (A)</b>	17,037,200	-
<b>B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	31,270,391	147,600,919
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	31,270,391	147,600,919
<b>Sub Total (B)</b>	31,270,391	147,600,919
<b>TOTAL TRADE RECEIVABLES (A+B)</b>	<b>48,307,591</b>	<b>147,600,919</b>
<b>Details of Debts Due from Related Parties</b>		
Particulars	31st March, 2012	31st March, 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total Debts Due by Related Parties</b>	-	-

\*Either severally or jointly





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 18 CASH AND BANK BALANCES**

Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>Cash and Cash Equivalents</b>				
A. Balances with banks		11,468,950		69,335,711
B. Cash on hand		3,213,436		2,486,504
C. Cheques, drafts on hand		-		-
		<b>14,682,386</b>		<b>71,822,215</b>
<b>Earmarked Balances with Banks</b>				
Unpaid Dividend Accounts	152,861		82,764	
Deposit Account with State Bank of India	1,783,460		-	
Security against borrowings	-		-	
Guarantees	-		-	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity	-	1,936,321	-	82,764
<b>TOTAL CASH &amp; BANK BALANCES (A+B+C+D)</b>		<b>16,618,707</b>		<b>71,904,979</b>

**Note 19 SHORT TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. R (i), (ii) &amp; (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>A. Loans and advances to related parties (refer note 2)</b>				
Secured, considered good		-		-
Unsecured, considered good (Refer Note No. 5)		-		108,026,000
Others	-		-	
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Sub Total (A)</b>		-		108,026,000
<b>B. Others</b>				
Secured, considered good		-		-
Unsecured, considered good To be recoverable in cash or in kind for the value to be received.		601,200		5,114,396
Others	-		-	
Less: Provision for doubtful Debts	-	-	-	-
<b>Sub Total (B)</b>		601,200		5,114,396
<b>TOTAL SHORT TERM LOANS &amp; ADVANCES (A+B)</b>		<b>601,200</b>		<b>113,140,396</b>

Disclosure pursuant to Note no. R (iv) of Part I of Schedule VI to the Companies Act, 1956

Details of Loans and advances to related parties

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
<b>Total Loans and advances to related parties</b>		-		-

\*Either severally or jointly

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 20 OTHER CURRENT ASSETS**

Disclosure pursuant to Note no. R (i), (ii) & (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b><u>Security Deposits</u></b>				
Secured, considered good				
Unsecured, considered good	6,694,850	6,694,850	37,831,000	37,831,000
Others				
Less: Provision for doubtful deposits				
Prepaid Expenses	505,254	505,254	2,143,642	2,143,642
<b>TOTAL OTHER CURRENT ASSETS</b>		7,200,104		39,974,642

**Note 21 CONTINGENT LIABILITIES AND COMMITMENTS**

Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>A. Contingent Liabilities</b>				
(1) Claims against the company not acknowledged as debt	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
<b>Sub Total (A)</b>		-		-
<b>B. Commitments</b>				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	7,553,104,934		7,617,369,934	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments	-		-	
<b>Sub Total (B)</b>		7,553,104,934		7,617,369,934
<b>Total Contingent Liabilities and Commitments (A+B)</b>		7,553,104,934		7,617,369,934



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST**  
**MARCH 2012**

**Note 22 REVENUE FROM OPERATIONS**

Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956

In respect of a company **other than a finance company** revenue from operations shall disclose separately in the notes revenue from

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Sale of Products	552,197,462		1,241,551,920	
Income from Services	-		-	
Other Operating Revenues	115,614,216		5,479	
<b>Gross Revenue</b>		667,811,678		1,241,557,399
Less: Excise duty		-		-
<b>Net Revenue From Operations</b>		<b>667,811,678</b>		<b>1,241,557,399</b>

**Note 23 OTHER INCOME**

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Interest Income</u>				
Interest on Loan to subsidiary	-		-	
Other Interest	1,535,365	1,535,365	129,786	129,786
Dividend Income	-	-		-
Net gain / (loss) on sale of investments		-		-
<u>Other non-operating income</u>				
Discount	719,640		5,148	
Amounts Written Back	11,278,091		1,531,427	
Foreign Exchange Gain	637,846,441		-	
Profit on Sale of Premises	3,916,444	653,760,616	-	1,536,575
<b>Total Other Income</b>		<b>655,295,981</b>		<b>1,666,361</b>

SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

**Note 24 COST OF PRODUCING & DISTRIBUTING FILMS**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>Total Cost of Production</b> (Net of VAT Paid)	469,825,896	469,825,896	589,728,416	589,728,416
<b>Total Production Cost</b>		<b>469,825,896</b>		<b>589,728,416</b>

**Note 25 PURCHASE OF STOCK IN TRADE**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Purchase of Stock-in-trade (Net of VAT Paid)	-	-	-	-
<b>Total Purchases</b>		-		-

**Note 26 (INCREASE) / DECREASE IN INVENTORIES**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<b>Inventories at the end of the year</b>				
Traded Goods				
Work in Progress		-		-
Finished Goods				
<b>Inventories at the beginning of the year</b>				
Traded Goods				
Work in Progress		-		-
Finished Goods		-		-
<b>Net (Increase) / Decrease in Inventories</b>		-		-

**Note 27 EMPLOYEE BENEFIT EXPENSES**

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
(a) Salaries, Wages and bonus				
Salaries	3,506,874		2,143,179	
Directors' Remuneration	6,067,520	9,574,394	2,991,853	5,135,032
(b) Contributions to -				
Provident fund	159,806		88,842	
Superannuation scheme	-	159,806	-	88,842
(c) Employees' Gratuity		117,661		254,215
(d) Social security and other benefit plans for overseas employees				
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)				
(f) Staff welfare expenses		939,821		119,590
<b>Total Employee Benefit Expenses</b>		<b>10,791,882</b>		<b>5,597,679</b>



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012**

**Note 28 FINANCE COST**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Term Loans	67,136,126		50,438,774	
Interest on Other Loans	43,116,945	110,253,071	36,287,077	86,725,851
<u>Other borrowing costs</u>				
Bank Charges	1,011,531		670,497	
Brokerage & Commission	(37,192)		415,122	
Loan Processing Charges	1,112,347	2,086,686	1,907,250	2,992,869
Applicable net loss (gain) on foreign currency transactions and translation		162,094,223		(6,866,949)
<b>Total Finance Cost</b>		<b>274,433,980</b>		<b>82,851,771</b>

**Note 29 OTHER EXPENSES**

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
Insurance Charges		803,152		485,948
Legal & Professional Expenses		14,752,827		6,079,380
Telephone & Communication Charges		2,300,923		3,180,257
Travel Expenses		3,037,450		1,372,886
Electricity Charges		1,838,970		1,165,344
Payment to Auditors		1,578,718		1,156,329
Rates & Taxes		2,353,959		1,632,864
Repairs & Maintenance		3,245,688		1,823,490
Other Administrative Expenses		8,846,348		2,403,204
Bad Debts		44,357,010		-
Share of Distribution Outflow		11,112,391		115,000,000
Sundry Expenses		8,200,669		10,543,220
Foreign Exchange Loss		-		27,446,600
<b>Total Other Expenses</b>		<b>102,428,105</b>		<b>172,289,523</b>

**Note 30 Tax Expense**

Particulars	31st March, 2012		31st March, 2011	
	₹	₹	₹	₹
<u>Current Tax</u>				
Provision for Income Tax		26,300,000		(52,080,000)
Provision for Wealth Tax		483,000		85,000
<b>Total Current Tax Expense</b>		<b>26,783,000</b>		<b>(51,995,000)</b>







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**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

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**NOTE 31. OTHER NOTES TO ACCOUNTS**

**i. Background**

Shree Ashtavinayak Cine Vision Limited ("SACVL" or the "Company") was incorporated in 2001 as a private limited Company. In 2004, the Company was converted into a public limited Company. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. SACVL is engaged in production and distribution/exhibition of motion picture films.

These accounts were made up for the previous year (Comparison period) of six months from 1st October 2010 to 31st March 2011. Any reference to term "year" in these financial statements with reference to financial period from 1st October 2010 to 31st March 2011 may be construed as "period" accordingly.

Since previous period of the accounts are made up for six months, the figures of the Current year (12 months) are not strictly comparable with that of the figures of the current period.

**ii. Basis of preparation**

These consolidated financial statements include the financial statements of Shree Ashtavinayak Cine Vision Limited ('the Company' or 'parent company' and its subsidiaries (collectively known as the 'Group'). The financial statements of the subsidiaries used in the consolidation are for the same reporting period as the Company, i.e. March 31, 2012, and are audited by the auditors of the respective entities.

These consolidated financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006, to the extent applicable (except with respect to subsidiary overseas to which the said Rules are not applicable). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous period. The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its independent financial statements being the general format as specified in Schedule VI to the Companies Act 1956 (the "Act"). However, as these financial statements are not statutory financial statements under the Act, the same may not include all disclosure requirements of the Act.

The consolidated financial statements include the financial statements of the Company and its subsidiaries, collectively referred to as "the Group"

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full as per Accounting Standard (AS) 21 "Consolidated Financial Statements". The excess/deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

**Subsidiaries:**

<i>Name of the Company</i>	<i>Country of Incorporation</i>	<i>Proportion of Ownership Interest</i>
Shree Ashtavinayak Angel Media Ltd.	India	100%
Shree Ashtavinayak Dream Pictures Ltd.	India	100%
Shree Ashtavinayak Light Camera action Ltd.	India	100%
Shree Ashtavinayak Passion Movies Ltd.	India	100%
Shree Ashtavinayak Cine Vision FZE	Dubai, U.A.E.	100%

Since, financial statements of the subsidiary incorporated in Dubai, U.A.E. are prepared in accordance with the laws of that Country, there could be significant differences in accounting standards and policies followed and adopted. Hence, notes to accounts for this subsidiary are reproduced at the end after eliminating group common items. It may be kept in mind that, these notes may not reflect the Accounting Standards and policies followed or adopted in India for the Parent Company and other Indian Subsidiaries. All figures in standalone financial statements of foreign subsidiary are expressed in U.A.E. Dirhams. The same are translated in Indian Rupees using appropriate exchange rates for conversion for consolidation.

**iii Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statement are prudent and reasonable. The key estimates made by the Company in preparing these financial statements comprise provision for expenses, retirement benefits, provision for doubtful debts and income taxes. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised in the period in which such revisions are made.

**iv Significant accounting policies**

**1. 1 Fixed assets and depreciation**

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost includes purchase cost and all incidental expenses to bring the assets to their present location and condition.

Depreciation on fixed assets other than film productions and film distribution rights is provided on straight line method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets added / disposed off / discarded during the year has been provided on pro-rata basis with reference to the date of addition / disposal / discarding.

Fixed assets having value lower than ₹5,000 are depreciated fully in the year of purchase.

**1. 2 Intangible assets and amortisation**

Intangible assets comprising motion pictures produced and motion picture rights which have been acquired and are controlled through custody or legal rights are capitalised at cost, where they can be reliably measured.

Where capitalised, intangible assets are regarded as having a limited useful economic life and the cost is amortised over the lower of economic useful life and period of the legal rights.

Where an assignment of rights is for a fixed fee or non refundable guaranteed fee under a non cancellable contract which permits the licensee to exploit those rights freely and the Company has no remaining obligation to perform, the cost capitalised is fully amortised in the year of sale of such rights.

At the expiry of the term of the distribution rights in motion pictures the intangible asset related to the particular agreement is derecognised.



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**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

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An asset is treated as intangible asset if it is an identifiable non-monetary asset, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Intangible Assets are stated at cost of acquisition less accumulated amortization.

**1. 3 Borrowing cost**

Borrowing costs directly attributable to production of movies, and the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**1. 4 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreases.

**1. 5 Revenues**

**a)** Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**b)** In case of distribution rights of films:

(i) produced or rights acquired, revenue is recognised on accrual basis on receipt of business statements from theatres / sub distributors, etc.

(ii) in case of sale of such distribution rights of films, revenue is recognised on the date of sale of such rights.

**c)** In respect of films produced by the Company and distributed by others, overflow of excess collection over minimum guarantee, net of eligible expenses/ write off is recognised on intimation by distributor.

**d)** Revenue from sale of:

(i) film's satellite rights and video rights are recognised when it arise, based on payment/delivery/telecast milestones specified in the agreements/ arrangements entered with concerned parties.

(ii) other rights of films such as music rights and ring tone rights are recognised from effective date of exploitation of such rights.

**e)** Sale of film produced by the Company is recognised as under:

(i) upon receipt of theatrical release certificate in respect of self release, and

(ii) upon delivery of exploitation rights in other cases.

**f)** Interest income is recognised on a time proportion basis.

**1. 6 Leases**

Rental income or expense on operating leases is recognised on a straight-line basis over the term of the relevant lease.

**1. 7 Investments**

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments and is determined separately for each individual investment. Current investments are stated at lower of cost or fair market value. Cost of investments, includes original cost of acquisition, including brokerage and stamp duty.



## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

#### 1. 8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognised in the Profit and Loss Account. Monetary items denominated in foreign currencies at the period-end are translated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at historical value. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise. Exchange differences arising on a monetary item that, in substance, forms part of Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment which are recognized as income or as expenses at the time of disposal of such investments.

#### 1. 9 Employee benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

##### **Defined contribution plan:**

In accordance with the provisions of the employees provident fund regulations, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). The Company's contribution to provident fund is charged to the Profit & Loss Account.

##### **Defined benefit plan:**

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with local regulations, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The expense is recognised at the present value of the amount payable determined using actuarial valuation carried out by an independent actuary at the balance sheet date using Projected Unit Credit Method.

There is no defined policy enabling the employees to avail encashment of leave.

#### 1. 10 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 1. 11 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required, and a reliable estimate can be made of the amount required to settle the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 1. 12 Income taxes

Income tax expense comprises current income tax and deferred tax.

##### *Current taxes*

Provision for current income-tax is recognised in accordance with the provisions of (Indian) Income Tax Act, 1961, and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### *Deferred taxes*



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the year that includes the enactment date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence of recognition of such assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

**1. 13 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

2. The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.
3. Balances in Debtors, Creditors, loans, advances, and other current assets are subject to confirmation and reconciliation.
4. Auditors' remuneration Schedule VI to the Companies Act, 1956 is as under:

Particulars	2011-12	2010-11
As Auditors	1,170,000	548,587
Taxation matters	200,000	400,000
Company law matters	-	-
Management services	-	-
Other Services	23,500	84,000
Reimbursement of expenses	18,100	26,213
Service Tax	167,118	97,529
<b>Total</b>	<b>1,578,718</b>	<b>1,156,329</b>

5. (a) The Company has dispute with certain parties from whom loans were received balance amounting to Rs. 9,176,109 at the year end against pledge of shares of the directors / promoter group. These parties have not sent their loan confirmations, and the same are reflected in accounts based on the last information available with the Company without prejudice to the Company's rights against these parties as claimed before the hon'ble Court. Certain parties have filed a suit against the Company for recovery of loans including winding up of the Company. The Company is taking appropriate legal remedies to defend the cases.
- (b) The Company is to pay amount due on account of interest amounting to Rs. 9,233,206 to the financial institutions for a period three months on the date of Balance Sheet. The Company is in process of renegotiating the terms of loans with the Institutions. These Institutions have not sent their loan confirmations, and the same are reflected in accounts based on the last information available with the Company .
6. **Foreign Currency Convertible Bonds ("FCCB")**  
The Company has outstanding 2.875 per cent FCCB due in December 2012 of US\$ 100,000 each convertible into equity shares aggregating to US\$ \$ 21,627,000. The Bond holders have the option to convert these FCCB into equity shares of the Company at a price of ₹ 45 (number adjusted after split of face value) per share (reset to ₹ 43.98 (number adjusted after split of face value), subject to further adjustment, if any) with a fixed exchange rate of ₹ 39.35 per US\$ 1, at any time on or after January 21, 2008 and before November 22, 2012.

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

The FCCB may be redeemed, in whole but not in part, at the option of the Company at any time on or after December 21, 2010 but before December 22, 2012, subject to the satisfaction of certain conditions. The FCCB are redeemable on December 22, 2012 at a premium of 26.41465 percent of their principal amount unless previously converted, redeemed, purchased or cancelled. The Bonds are listed on the Singapore Exchange Securities Trading Limited ('SGXST')

Premium payable on FCCB not converted on the date of these accounts is written off against securities premium account in accordance with section 78 (2) read with section 2 (12) of the Companies Act 1956.

At end of the period, the Company had outstanding bonds of \$ 21,627,000. The Company has received notices for conversion for bonds amounting to \$ 14,777,000 which is pending, awaiting court order.

7. In the opinion of the management, current assets and loans and advances are of the value stated in the financial statements and realisable in the ordinary course of the business, and are subject to confirmation and reconciliation. The provision for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary. Unsecured loans, items of capital work-in-progress, and capital advances are subject to confirmation. According to management, the amount standing in respective accounts of capital work-in-progress and capital advances are stated at cost.
8. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and hence disclosure regarding:
  - (a) Amount due and outstanding to suppliers as at the end of the accounting year;
  - (b) Interest paid during the year;
  - (c) Interest payable at the end of the accounting year;
  - (d) Interest accrued and unpaid at the end of the accounting year, has not been provided.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the act. The management believes that figure for disclosure will not be significant.

9. There is an outstanding amount of undisputed income-tax of an amount of ₹ 23,668,054 wealth tax of ₹ 285,554 and tax deducted at source of an amount of ₹ 13,928,334 on the Balance Sheet Date for more than six months. The default with respect to wealth tax for Assessment Year 2011-12 is made good by making the payment along with interest on the date of this signing this annual report.

10. **Foreign Currency exposures not covered by forward contracts:**

Particulars	31st March, 2012		31st March, 2011	
	Foreign Currency Amount (\$)	Indian Rupees Amount (₹)	Foreign Currency Amount (\$)	Indian Rupees Amount (₹)
Foreign currency convertible bonds (FCCB)	\$ 21,627,000	1,100,295,252	\$ 21,627,000	965,645,550
Premium on FCCB	\$ 4,718,963	240,081,948	\$ 3,475,793	155,194,159
Accrued interest on FCCB loan	\$ 809,974	41,208,224	\$ 379,954	16,964,925
Bank balances	\$ 2,872	146,130	\$ 2,872	128,247

11. **Earning per share is calculated as under:**

Particulars	31st March, 2012	31st March, 2011
<b>Basic earning per share</b>		
Net Profit after taxation as per profit and loss account	(167,818,709)	(271,432,677)
Weighted average number of shares outstanding for basic EPS	824,682,155	824,682,155
Basic earning per share	(0.20)	(0.33)





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

<b>Diluted earning per share</b>		
Net Profit after taxation as per profit and loss	(167,818,709)	(271,432,677)
Add / (Less): Interest and potential foreign exchange (gain)/loss on foreign currency convertible bonds ("FCCB") (net of tax)	114,646,435	5,299,068
<b>Adjusted net profit</b>	<b>(53,172,274)</b>	<b>(266,133,609)</b>
Weighted average number of shares outstanding for the period	824,682,155	824,682,155
Add: Potential shares on conversion of FCCB including eligible bonus shares thereon	96,738,780	96,738,780
<b>Adjusted weighted average number of shares outstanding for dilutive EPS</b>	<b>921,420,935</b>	<b>921,420,935</b>
<b>Anti Dilutive EPS</b>	<b>(0.06)</b>	<b>(0.29)</b>
<b>Diluted earning per share</b>	<b>(0.20)</b>	<b>(0.33)</b>

<b>12. Directors' Remuneration</b>	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Within the limits of Schedule XIII to the Companies Act 1956	6,067,520	2,991,853

During the year, the Company has written off RS. 203,924,133 incurred towards incomplete films the production of which was hampered owing to multiple reasons. The Company has initiated legal action against the parties responsible for such abounded projects.

**14. Disclosure of Provisions as required by AS-29 is as under:**

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during	Closing Balance
	₹	₹	₹	₹
Income-tax Provision (A)	206,020,000	26,300,000	66,317,997	166,002,003
Income-tax Paid (B)	151,736,471	61,269,628	41,220,325	171,785,775
<b>Net balance (A-B)</b>	<b>54,283,529</b>	<b>(34,969,628)</b>	<b>25,097,672</b>	<b>(5,783,772)</b>
Wealth-tax Provision	285,000	483,000	-	768,000

**15. Related Party Disclosures, as required by AS-18 are given below:**

<b>List of related parties other than where control exists with whom the Company has entered into transactions during the year</b>	
Key management personnel (KMP)	Dhilin H. Mehta - Chairman and Managing Director
	Rupen Amlani - Whole time Director
	Hiren Gandhi - Whole time Director
	Dhaval Jatania - Whole time Director
Relatives of KMP	Preeti D. Mehta - Wife of Chairman and Managing Director
	Pankti H. Mehta - Sister of Chairman and Managing Director
Enterprise over which KMP have significant influence	Dahlia Traders Private Limited

During the year, the following transactions were carried out with related parties in the ordinary course of business:

PARTICULARS	31st March, 2012	31st March,
<b>Other Transactions</b>		
Rent paid	1,855,158	1,464,624
Compensation income	-	-
Deposit given for premises taken on operating lease	1,500,000	1,500,000
Capital advances given for purchase of fixed assets	-	-

**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

Loans taken	48,542,518	803,256,877
Loans repaid	47,629,985	130,576,907
<b>Balance outstanding as at year-end</b>		
Sundry debtors	-	-
Deposits receivable	1,500,000	1,500,000
Advances receivable	-	-
Loans payable	765,477,503	764,564,970
<b>Transactions with KMP and their relatives</b>		
Remuneration		
- to Chairman and Managing Director	3,484,667	6,918,330
- to other Whole time Directors	3,478,140	4,138,208
Purchase of shares of from KMP	-	-
Purchase of shares of from relatives of KMP	-	-

Notes:

Related party relationship have been identified by the management and relied upon by the auditors.

During the period, some loan creditors, whom equity shares of the Company held by the Related parties were offered as securities, liquidated the shares against loans granted to the Company. The amount recovered by the loan creditors is accordingly removed from their account and credited to the concerned related parties. The same are reflected in above statement as loans taken and given.

The Company is in business of producing and distributing motion films, and we are explained that the films being solitary products do not have determinable market value. During the year, the Company has sold one of the films produced by the Company to its subsidiary Shree Ashtavinayak Light Camera action Limited below the cost it incurred in producing the film and incurred a loss of RS. 21.19 Crore. The Management has explained us that, the film sold is at fair price considering reliability of the product in market.

**16. Operating leases**

The Company has no leased facilities under non-cancellable operating leases. The Company's office facilities are under cancellable operating lease agreements.

PARTICULARS	(Amount in ₹)	
	31st March, 2012	31st March,
Total lease rent under cancellable operating leases	4,894,737	1,529,424

**17. Employee retirement and other benefits**

The following are employee benefit plans applicable to the Company.

PARTICULARS	(Amount in ₹)	
	31st March, 2012	31st March,
Contribution to Provident Fund	159,806	88,842

**Defined benefit plan**

Gratuity, which is a defined benefit, is accrued based on actuarial valuation at the Balance sheet date, carried out by an independent actuary.

The following table sets forth the funded status of these plans of the Company and amounts recognised in Company's Balance Sheet as per AS 15 (revised) – 'Employees Benefits'.

PARTICULARS	(Amount in ₹)	
	31st March, 2012	31st March,
Present value of the defined benefit obligation at the end of the year	1,579,127	1,461,466
Fair value of the plan assets	-	-
<b>Net liability</b>	<b>1,579,127</b>	<b>1,461,466</b>

The amount recognised in other income and salary and other benefits in the profit & loss account as follows in respect of the gratuity.



**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

PARTICULARS	(Amount in ₹)	
	31st March, 2012	31st March,
Current service cost	223,949	170,915
Interest on defined benefit obligation	120,571	87,280
Expected return on plan assets	-	-
Actuarial (gain) / loss on obligations	(226,859)	(186,826)
Vested Benefit	-	(32,817)
<b>Net Gratuity Cost</b>	<b>117,661</b>	<b>38,552</b>

**Reconciliation of present value of the obligation and the fair value of the plan assets**

PARTICULARS	(Amount in ₹)	
	31st March, 2012	31st March,
Opening Defined Benefit Cost	1,461,466	1,422,914
Current service cost	223,949	170,915
Interest Cost	120,571	87,280
Past Service Cost	-	(32,817)
Actuarial (gain) / loss on obligations	(226,859)	(186,826)
Benefit paid	-	-
<b>Net Gratuity Cost</b>	<b>1,579,127</b>	<b>1,461,466</b>

**Principal actuarial assumptions at the balance sheet date March 31, 2012**

PARTICULARS	31st March, 2012	31st March,
Discount rate	8.75%	8.25%
Salary escalation	5.00%	5.00%

The estimates of the future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other related factors, such as supply and demand in the employment market.

**18. Value of imports calculated on C.I.F basis by the company during the year in respect of –**

	31st March, 2012	31st March, 2011
i Raw materials;	-	-
ii Components and spare parts	-	-
iii Capital goods	-	-
iv Trading Goods	-	-

**19. Other Expenses in Foreign Currency:**

	31st March, 2012	31st March, 2011
i Royalty, Know-how, Professional and Consultation fees, Interest, and Other matters	160,354,485	4,465,312
ii Total value if all imported / indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption	-	-
iii Amount remitted in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-
	160,354,485	4,465,312
iv Earnings in foreign exchange classified under the following heads, namely		
i Export of goods calculated on F.O.B. basis	-	-

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**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

ii	Royalty, know-how ,professional and consultation fees;	-	-
iii	Interest and dividend	-	-
iv	Other income, indicating the nature thereof	-	-
		-	-

20. Other information pursuant to General Instructions for preparation of Balance Sheet and Profit & Loss Account of Schedule VI to the Companies Act, 1956 is not applicable.





21 Segment information:

Segment information:

(a) Primary segment:

The Company has disclosed Business Segment as the primary segment.

Particulars	Film production & distribution		Film distribution		Others		Total	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
<b>Segment revenue</b>								
Sales to external customers	667,811,678	820,556,920	-	421,000,479	-	-	667,811,678	1,241,557,399
Inter segment revenue	-	-	-	-	-	-	-	-
<b>Total segment revenue</b>	<b>667,811,678</b>	<b>820,556,920</b>	<b>-</b>	<b>421,000,479</b>	<b>-</b>	<b>-</b>	<b>667,811,678</b>	<b>1,241,557,399</b>
<b>Segment result</b>	<b>190,471,711</b>	<b>(256,426,556)</b>	<b>-</b>	<b>79,871,039</b>	<b>-</b>	<b>(1,100,000)</b>	<b>190,471,711</b>	<b>(177,655,517)</b>
Unallocated corporate income	-	-	-	-	655,295,981	-	655,295,981	1,666,361
Unallocated corporate expense	-	-	-	-	(739,342,421)	-	(739,342,421)	(57,278,858)
Interest and financial expense	-	-	-	-	(274,433,980)	-	(274,433,980)	(89,793,451)
<b>Profit before taxation</b>	<b>190,471,711</b>	<b>(256,426,556)</b>	<b>-</b>	<b>79,871,039</b>	<b>(358,480,420)</b>	<b>(1,100,000)</b>	<b>(168,008,709)</b>	<b>(323,061,465)</b>
Income taxes	-	-	-	-	26,300,000	-	26,300,000	(52,080,000)
Deferred tax liabilities	-	-	-	-	(570,328)	-	(570,328)	(104,852)
Tax Adjustment for Earlier Years	-	-	-	-	(26,402,672)	-	(26,402,672)	471,064
Wealth tax	-	-	-	-	483,000	-	483,000	85,000
<b>Profit after tax</b>	<b>190,471,711</b>	<b>(256,426,556)</b>	<b>-</b>	<b>79,871,039</b>	<b>(358,290,420)</b>	<b>-</b>	<b>(167,818,709)</b>	<b>(271,432,677)</b>
Segment assets	9,022,942,753	8,856,162,710	174,137,074	38,015,015	-	-	9,197,079,827	8,894,177,725
Unallocated assets	-	-	-	-	691,521,065	-	691,521,065	684,376,251
<b>Total assets</b>	<b>9,022,942,753</b>	<b>8,856,162,710</b>	<b>174,137,074</b>	<b>38,015,015</b>	<b>691,521,065</b>	<b>-</b>	<b>9,888,600,892</b>	<b>9,578,553,976</b>
Segment liabilities	983,002,792	778,574,185	1,495,614,293	830,075,791	-	-	2,478,617,085	1,608,649,976
Unallocated liabilities	-	-	-	-	2,848,000,954	-	2,848,000,954	3,070,231,585
<b>Total liabilities</b>	<b>983,002,792</b>	<b>778,574,185</b>	<b>1,495,614,293</b>	<b>830,075,791</b>	<b>2,848,000,954</b>	<b>-</b>	<b>5,326,618,039</b>	<b>4,678,881,561</b>
<b>Cost incurred to acquire</b>								
Segment assets	4,549,138,790	407,500,000	200,203,433	75,400,000	-	-	4,749,342,223	482,900,000
Unallocated assets	-	-	-	-	-	528,115	-	528,115
Amortisation/depreciation of	-	-	-	-	-	-	-	-
Segment assets	4,549,138,790	407,500,000	-	303,300,000	-	-	4,549,138,790	710,800,000
Unallocated depreciation	-	-	-	-	860,9812.89	2,538,630	8,609,813	2,538,630

The business of the Company is divided into three segments – Film production & distribution, Film distribution and other. These segments have been identified taking into account the nature of the business, the differing risks and returns, the organisation structure and internal reporting system.

Film production & distribution, represents share of net income from movies produced/co-produced or in which the Company has invested, and content production and distributed or sold by the Company. Films distribution operation represents acquisition of movie rights for overseas as well as Indian distribution for a fixed period and exploitation thereof. These rights generally include as a package, theatrical rights and video and television rights. Others represent realization from sale of items mainly used production materials such as production sets, costumes and other inventories.

Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment. Income and expenses which are not directly attributable to any business segment are shown as unallocated corporate income / expenses. Assets and liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

**(a) Geographic segment:**

The Company operates only in India and therefore is considered as a single geographic segment.

Exchange rate difference arising on account of Loans given to foreign non-integral operation is charged to revenue in accordance with paragraph 15 and 16 of AS-11 in view of fixed period of loan. The Exchange rate difference arising on investment value of the non-integral operation is transferred to foreign currency translation reserve in the enterprise's financial statements until the disposal of the net investment, at which time it will be recognized as income or as expenses.





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

**22. Notes of Shree Ashtavinayak Cine Vision FZE**

**P.O. Box 54792, Dubai Airport Free Zone, Dubai - United Arab Emirates**

SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES

**Year Ended: March 31, 2012**

**1 Legal Status, Business Activities and Management**

**(a) Legal Status**

Shree Ashtavinayak Cine Vision FZE is registered as a Free Zone Company in accordance with implementing Regulation No.1 of 2000 pursuant to Dubai local law No. (2) of 1996 and its amendment No. (2) of 2000, and the provision of the UAE Federal Law No. (8) of 1984 regarding Commercial Companies and its amendments and decisions made.

The Dubai Airport Free Zone Authority has issued the Certificate of Formation with Registration No. DAFZ-0410, dated January 13, 2008 and Trading Licence No. 1468 dated January 13, 2008.

The registered office of the company is located at Suit No.105, Building 5EA, Dubai Airport Free Zone, Dubai, U.A.E.

The following is the shareholder contributing to the capital and sharing profits and losses in the given ratio :

<b>Shareholder</b>	<b>Nationality</b>	<b>No. of Share</b>	<b>Share Capital in AED.</b>
Shree Ashtavinayak Cine Vision Ltd	Indian	1 share	1,000,000
			<u>1,000,000</u>

**(b) Business Activities**

The principal activity of the company is production, distribution and trading in film.

**(c) Management**

The company is managed by Mr. Dhilin Harshad Mehta, director of the company as per the board resolution dated January 18, 2012 which was previously managed by Mr. Harshad Kanaiyalal Mehta.

**2 Basis of Preparation**

**(a) Statement of Compliance**

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

**(b) Basis of Measurement**

The interim financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss are measured at fair value.

**(c) Functional and Presentation Currency**

The interim financial statements are presented in UAE Dirhams, which is the company's functional currency. All financial information presented in UAE Dirhams has been rounded to the nearest Dirhams.

**(d) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with IFRSs required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

During the year, there are no estimates or judgments that are critical in nature.

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SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

**3 Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all years presented in these interim financial statements, and have been applied consistently by Company.

**(a) Foreign Currency Transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available for sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**(b) Financial Instruments**

**(i) Non Derivative Financial assets**

The company initially recognises loans and receivable and deposits on the date that they are originated.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and when only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following non-derivative financial assets:

**Loans and Receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

**Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of six months or less from the date of deposit.

**(ii) Non - Derivative**

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

The company has the following non-derivative financial liabilities; loan from shareholders, Accruals and provisions.



## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

#### **(c) Property, Plant and Equipment**

##### **(i) Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

##### **(ii) Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

##### **(iii) Depreciation**

Depreciation on property, plant and equipment has been computed on straight-line method at the annual rates estimated to write off the cost of the assets over their expected useful lives as under:

Leasehold	10 years (10% per annum)	-
Vehicles	5 years (20% per annum)	-
Furniture fix	3-5 years (20% - 33.33% per	-

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **(d) Inventories**

(i) Inventories have been valued at lower of cost and net realisable value. Cost is determined by using weighted average cost method and includes all direct costs incurred in bringing the inventories to their present location and condition.

(ii) Net realisable value is estimate of selling price in the ordinary course of the business less the selling expenses.

(iii) Provision is made for slow moving items of inventories based on their ageing report and assessment of net realisable value.

#### **(e) Impairment**

##### **(i) Financial Assets (including receivables)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the company on terms that the company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in a equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

The company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables similar risk characteristics.

In assessing collective impairment the company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**(ii) Non Financial Assets**

The carrying amounts of the company's non-financial assets other than inventories is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

**(d) Revenue Recognition**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of six months or less from the date of deposit.

**(f) Finance Income and finance costs**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss on the date that the company's right to receive payment is established.





## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

Finance costs comprise interest expense on borrowings and current account credit balances. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on net basis.

#### **(g) Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

A provision is made for the estimated liability for staff terminal benefits as a result of services rendered by employees up to the balance sheet date.

#### **(j) Employee entitlements**

A provision is made for the estimated liability for staff terminal benefits as a result of services rendered by employees up to the date of statement of financial position as per the implementing rules regulating employment relationship. Provision made for employee terminal benefits are disclosed as non-current liabilities.

## **4 Determination of Fair Values**

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purpose based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **(i) Property, Plant and Equipment**

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of fixtures and fittings, computer and vehicles is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

#### **(ii) Trade and Other Receivables**

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purpose.

## **5 Financial Risk Management Overview**

The company has exposure to the following risks from its use of financial instruments.

Credit Risk  
Liquidity Risk  
Market Risk  
Operational Risk

#### **Credit Risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investment securities.

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management also considers the demographics of the customer base including the default risk of the industry and country in which customer operates. Credit policy and benchmark creditworthiness established by the management is reviewed at frequent intervals.

#### **Liquidity Risk**

## SHREE ASHTAVINAYAK CINE VISION LIMITED

### CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The company has a commitment from its parent company of a continuous support in terms of cash flow management.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

#### Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:

- \* requirements for appropriate segregation of duties, including the independent authorization of transactions.
- \* requirements for reconciliation and monitoring of transactions.
- \* compliance with regulatory and other legal requirements.
- \* documentation of controls and procedures.
- \* requirements for the periodic assessment of operational risks faced, and the adequacy of controls and
- \* requirements for the reporting of operational losses and proposed remedial action.
- \* development of contingency plans.
- \* training and professional development.
- \* ethical and business standards.
- \* risk mitigation, including insurance where this is effective.

#### 6 Capital Advances

	31st March, 2012	31st March, 2011
Capital Advances	355,973,651	355,973,651
	<u>355,973,651</u>	<u>355,973,651</u>

Note: It represents advance amount paid for acquiring copy right from various parties for using the replication rights of motion pictures which are yet to be released. (Refer note 9)

#### 7 Cash and Bank Equivalents

	31st March, 2012	31st March, 2011
Cash in hand	520	13,000
Balances with Bank in :		
Current Account	13,244	9,062
	<u>13,764</u>	<u>22,062</u>

#### 8 Loan from Shareholder

	31st March, 2012	31st March, 2011
Shree Ashtavinayak Cine Vision Limited, India	384,033,859	365,826,551
	<u>384,033,859</u>	<u>365,826,551</u>

It is unsecured, bearing interest @ 5.5% p.a. and repayable on demand.





**SHREE ASHTAVINAYAK CINE VISION LIMITED**  
**CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012**

**9 Capital Commitments**

	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Contract Value	734,000,000	734,000,000
Payments made	(355,973,651)	(355,973,651)
Net Commitments	<u>378,026,349</u>	<u>378,026,349</u>
It represents amount paid for acquiring copy right from various parties for using the replication rights of motion pictures which are yet to be released.(Refer note 6).		

**10 Related Party Transactions**

Related parties represent shareholders, directors and key management personnel of the company and companies of which they are principal owners.

The summaries of transactions entered into during the year and balances with related parties as at March 31, 2012 are as follows:

	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Loan from Shareholder	384,033,859	365,826,551
Salary to manager	57,560	82,566
Finance cost	18,207,308	22,166,178
	<u>402,298,727</u>	<u>388,075,295</u>

**11 Financial Instruments**

In accordance with the International Accounting Standards 32, regarding financial instruments the following disclosure are made.

Financial instruments means financial assets, financial liabilities and equity instruments.

Financial assets include bank current accounts, deposits and advances. Financial liabilities include loan from shareholder, provisions and accruals.

**(a) Fair Values**

The fair value of the company's financial assets and liabilities approximate their carrying values.

**(b) Credit Risk, Interest Rate Risk, Exchange Rate Risk Exposure, Market Risk and Liquidity Risk**

**(i) Credit Risk**

Financial assets which potentially expose the company to credit risk comprises principally of capital advances.

a. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

**Carrying Amount**

	<b>31st March, 2012</b>	<b>31st March, 2011</b>
Capital Advances	<u>355,973,651</u>	<u>355,973,651</u>

b. The bank current accounts are placed with high credit quality financial institutions.

**(ii) Interest Rate Risk**

Interest on shareholders' current/loan accounts is charged at 5.5% per annum.

**(iii) Exchange Rate Risks**

There is no exchange rate risk as substantially all the transactions are denominated in US Dollars or U.S. Dollars to which the U.A.E. Dirham is fixed.

**(iv) Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The company does not face market risk due to interest rate, credit spread and currency movements.

**(v) Liquidity Risk**

The following are the contractual maturities of material financial liabilities.

All figures are expressed in UAE Dhirs

**As on 31.3.2012**

	Carrying Amount	Contractual Cash Flows	6 months or	Above 6 months
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SHREE ASHTAVINAYAK CINE VISION LIMITED  
CONSOLIDATED NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

			less	
<b>Non-Derivative</b>				
Loan from Shareholder	384,033,859	384,033,859	-	384,033,859
Accruals and provisions	15,000	15,000	15,000	-
<b>Derivative financial liabilities</b>	-	-	-	-
<b>Total financial liabilities</b>	<b>384,048,859</b>	<b>384,048,859</b>	<b>15,000</b>	<b>384,033,859</b>

**As on 31.3.2011**

	Carrying Amount	Contractual Cash Flows	6 months or less	Above 6 months
<b>Non-Derivative</b>				
Loan from Shareholder	365,826,551	365,826,551	-	365,826,551
Accruals and provisions	6,500	6,500	6,500	-
<b>Derivative financial liabilities</b>	-	-	-	-
<b>Total financial liabilities</b>	<b>365,833,051</b>	<b>365,833,051</b>	<b>6,500</b>	<b>365,826,551</b>

**12 Significant Events occurring after the date of financial position**

There were no significant events occurring after the date of financial position, which require disclosure in the financial statements.

**13 Comparative Figures**

Previous year's figures have been re-grouped or re-classified wherever necessary so as to conform to the current year's presentation.

FOR AND ON BEHALF OF THE BOARD OF  
SHREE ASHTAVINAYAK CINE VISION LIMITED

Dhilin Mehta  
CHAIRMAN AND MANAGING DIRECTOR

Rupen Amlani      Dhaval Jatania      Hiren Gandhi  
WHOLE TIME DIRECTORS

Mumbai: May 30, 2012

A. H. Andhare  
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY



Statement Pursuant to Section 212 of the Companies Act, 1956.

List of the subsidiaries :-

No.	Name of the Company	Short Name									
1	Shree Ashtavinayak Dream Pictures Limited.	SADPL									
2	Shree Ashtavinayak LFS Infra Limited.	SALIL									
3	Shree Ashtavinayak Passion Movies Limited.	SAPML									
4	Shree Ashtavinayak Light Cameraaction Limited.	SALCL									
5	Shree Ashtavinayak Cine Vision FZE	FZE									
		SADPL		SALIL		SAPML		SALCL		FZE	
	The Financial Year of the Company Ends on	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12	Mar-11	Mar-12
a.	Capital										
	Authorised (Equity Shares of Rs. 10/- each)	50000000	50000000	50000000	50000000	50000000	50000000	50000000	50000000	10701300	10701300
	Paid up	500000	500000	500000	500000	500000	500000	500000	500000	10701300	10701300
b.	Reserves	(510729)	(517305)	(519707)	(942551)	(514033)	(537215)	9985689	2966188	(131071350)	(398507450)
c.	Total Assets	44786	53313	200036925	290402518	207641482	266468403	257131270	446029348	4401948376	4931270547
d.	Total Liabilities	55515	70618	200056632	290845069	207655515	266505618	246645581	442563160	4522318426	5319076697
e.	Details of Investment (except in case of investment in the subsidiaries)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f.	Turnover	NIL	NIL	NIL	NIL	NIL	NIL	478500000	7514071	171458125	NIL
g.	Profit/(Loss) Before Taxation (PBT)	(7889)	(6576)	(17143)	(422844)	(11469)	(23182)	15788239	(7019501)	(108267312)	(237775070)
h.	Provision for Taxation	NIL	NIL	NIL	NIL	NIL	NIL	5300000	NIL	NIL	NIL
i.	Profit/(Loss) After Taxation (PAT)	(7889)	(6576)	(17143)	(422844)	(11469)	(23182)	10485860	(7019501)	(108272075)	(237775070)
j.	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**SHREE ASHTAVINAYAK CINE VISION LIMITED**

**Regd. Office: A-204, VIP-Plaza, 2<sup>nd</sup> Floor, Off. Andheri Malad Link Road, Andheri (W), Mumbai-400 053**

**ATTENDANCE SLIP**

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder may obtain additional slip on request.

D.P. Id*	Folio No.
Client Id*	No. of Share/(s) held
NAME OF THE SHAREHOLDER:	NAME OF THE PROXY:

I hereby record my presence at 11<sup>th</sup> ANNUAL GENERAL MEETING of the Company held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29.09.2012 at 9.30 A.M.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

\* Applicable for investors holding shares in electronic form.

**SHREE ASHTAVINAYAK CINE VISION LIMITED**

**Regd. Office: A-204, VIP-Plaza, 2<sup>nd</sup> Floor, Off. Andheri Malad Link Road, Andheri (W), Mumbai-400 053**

**PROXY FORM**

D.P. Id *	Folio No.
Client Id *	No. of Share/(s) held

I/We ..... of ..... in the district of ..... being a Member/Members of the above-named company, hereby appoint ..... of ..... in the district of ..... or failing him ..... of ..... in the district of ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 11<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at Aishwarya Party Hall, Oshiwara Link Plaza Commercial Premises, Shop 13/14/19, Ground Floor, Near Oshiwara Police Station, Jogeshwari (West), Mumbai – 400 102 on 29.09.2012 at 9.30 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2012

Affix 15 Paise or  
more Revenue  
Stamp

\*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

## **BOOK POST**



If undelivered, please return to:  
Shree Ashtavinayak Cine Vision Limited  
A/204-205, VIP Plaza, 2<sup>nd</sup> Floor,  
B/7, Veera Industrial Estate,  
Off Andheri Malad Link Road,  
Andheri (West), Mumbai- 400 053.