



# **ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**

**(Formerly known as K C BOKADIA FILMS LIMITED)**

## **16TH ANNUAL REPORT 2010-2011**



**ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**  
(Formerly known as K C BOKADIA FILMS LIMITED)

**ANNUAL REPORT**  
**2010-2011**

<p><b>AUDITORS</b> <b>M/s. Agarwal Jain And Gupta,</b> Chartered Accountants Shop No. 2, Ashok Vihar, Jaipur Road, Chomu (Jaipur) - 303 702.</p>	<p><b>REGISTRAR AND SHARE TRANSFER AGENT</b> Sharex Dynamic (India) Private Limited Unit -1, Luthra Ind. Premises, Andheri Kurla Road, Safeed Pool, Andheri (East), Mumbai – 400 072.</p>
<p><b>LISTING</b> The Stock Exchange, Mumbai</p>	<p><b>REGISTERED OFFICE</b> D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.</p>
<p><b>ANNUAL GENERAL MEETING</b> Date : 30<sup>th</sup> December, 2011 Time : 10.00 A.M. Day : Friday</p> <p><b>VENUE :</b> D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.</p>	

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### NOTICE

Notice is hereby given that the Sixteen Annual General Meeting of the members of the **ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED** formerly known as K C Bokadia Films Limited will be held on Friday, 30th day of December, 2011 at 10.00 A.M. at D - 164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance sheet as at 30th September 2011 and Audited Profit & Loss Account for the year ended on that date, and the report of the Board of Directors and the Auditors thereon.
2. To Appoint Mr. Anurag Prasad, Director of the Company, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint Ms. Neha Londhe, Director of the Company, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Agrawal Jain Gupta, Chartered Accountants, Jaipur as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

### **NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Shares Transfer Books of the Company will be closed on from 25th December 2011 to 30th December 2011 (both days inclusive).
3. Members desiring to seek any information on the annual accountants are requested to write to the Company at an early date to enable compilation of information.
4. The members are requested to :
  - a. Intimate to the Company's Registrars and Share Transfer Agents, M/s. Sharex Dynamic (India) Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address at an early date.
  - b. quote ledger folio numbers /DP Identity and Client Identity Numbers in all their correspondences;
5. Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
6. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making notifications are requested to send their requests in Form 2B (which will be made available on request) to the registrar & Share Transfer Agents, Sharex Dynamic (India) Private Limited.

By Order of the Board

Sd/-

**(Salman Ansari)**

Managing Director

Place: Ahmedabad

Date: 5<sup>th</sup> December, 2011

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Industrial Structure and Developments:**

The Entertainment and Media Industry is a cyclically industry and grows faster when the economy is expanding. During the past few years, the Indian Entertainment and Media Industry has out-performed the Indian economy and is one of the fastest growing sectors in India such phenomenal growth in the entertainment and media sector can be attributed to economic growth, raising income levels, rise in consumer spending, technological advancements and policy initiative taken by the Indian government. The industry has witnessed marked improvements in all spheres via from the technology used in making films, to themes of movies, exhibition, finance, and marketing and even in business environment. It is increasingly getting more corporatized.

The greatest change in Indian market is vast improvement in the exhibition sector. The increase in Multiplex culture and viewership continues to drive the growth of Indian Film Industry. Consumers are getting more aware & specific of their requirements. The industry is also changing to deal with new technologies and new demands from consumers. The rise of smaller auditoria is changing the entire complexion of Indian films – the budgets they are made with, the way they are made and the king of audiences they are made for.

In addition to exploiting avenues in the home country, the Entertainment Companies and the production houses are now exploiting the un-explored overseas market for its Products (Films) which certainly is a promising avenue.

The management had a detailed discussion on the operational results for the year ended 30th September, 2011 and analysed the factors that affected sales and profit. The management was satisfied with the efforts taken in the situation faced by the company and the adverse market conditions during the year.

### **Opportunities and Threats**

#### **Opportunities:**

The business of films may not be termed as lucrative but is of prime importance to the film industry and film industry is very poised to have a further tremendous growth as mentioned elsewhere in this report to the tune of around 25-35%. The Film Stars are looked upon as an idol and despite of the fact that the trend changes, but the likings towards the films, films personalities, and related business continues.

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

### **Threats:**

Piracy continues to dampen the growth of the industry as a whole. The Company is taking steps to do the distribution of movies in major circuits to ensure to get back its share which may be lost due to piracy and un-booked income by other distributors. High Entertainment tax affects revenue to some extent. Film distribution is relatively risky business due to issue of under-reporting by exhibitors.

### **Outlook:**

The key would be to manage growth as we continue to scale up the business, while maintaining current levels of capital expenditure and by increasing cash generation further, we have nurtured and shared mutually fruitful long-term relationships with talent as well as business associates in our 15 - years journey so far and we hope to build on them while forging new relationships in the years to come. We will seek to widen our presence into regional languages as well as continue to acquire interesting catalogues to add to our library.

### **Human Resource Development**

The Company's progress is largely attributed to the wholehearted support from its manpower. The technical team were constantly challenged for quality performance and expected to work with an entrepreneurial spirit on the project.

### **Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's Objectives, projections, estimates, expectation may be 'forward looking statement' with the meaning of applicable laws and regulations, Actual results could differ materially from those expressed or implied.

**For and on behalf of the Board**

Sd/-

**Chairman and Managing Director**

Place: Ahmedabad

Date: 5<sup>th</sup> December, 2011

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### DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the Sixteenth Annual Report together with the Audited Accounts for the year ended 30th September, 2011 and also in highlighting the performance of the Company in the previous year along with the scope of the profit generating capacity of the Company in the years to come.

#### REVIEW OF OPERATIONS:

The working results of the company for the year are furnished as follows:

Particulars	Year ended 2010-2011	Year ended 2009-2010
Net Profit/(Loss)	(4,64,489)	(11,25,147)
Less: Depreciation	62,004	62,004
Profit/(Loss) before Taxation	(4,02,485)	(11,87,151)
Less: Provision for Taxation	----	----
Less: Deferred Tax	----	----
Profit / (Loss) After Tax	(4,02,485)	(11,87,151)
Add: Provision written back	----	----
Balance Transfer last year	1,533	11,88,684
Balance Carried Forward	(4,00,952)	1,533

#### OVERALL PERFORMANCE:

The Company in the year under consideration has survived the competition and managed to maintain and perform its business activities. The Company has consolidated its business activities in order to remove those which were having a negative impact on the Turnover of the Company. The company's portfolio of activities includes those activities wherein Company has emerged as a competitive organization and wherein Company can integrate its Business.

During the Financial Year under consideration i.e. 2010-2011, the Company has incurred a loss/profit before tax of Rs. (-) 4,02,485/-

#### DIVIDEND:

With a view to conserve the resources of the Company, the board has not recommended any dividend to the members this year.

#### PUBLIC DEPOSITS:

The Company has not accepted any deposits from public in accordance with Section 58A of the Companies Act, 1956.



## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

### **AUDITORS:**

M/s Agarwal Jain & Gupta, Chartered Accountants, Jaipur and auditors of the Company retires as Statutory Auditors of the Company at the conclusion of the ensuring Annual General Meeting. Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking your approval for re-appointment of Statutory Auditor has been incorporated in the Notice convening the Annual General Meeting.

### **NOTES ON ACCOUNTS:**

With reference to the point no. 4(iv) of the Auditors Report we would like to state that:

For qualification of Auditor of the Company on AS-6 few assets of the Company are not actually use in the operations of the Company and Company have also received advances against such assets and are likely to be disposed off in the next year.

For qualification of Auditor of the Company on AS-15: There is no any employee on whom Gratuity Act is applicable so, provision for gratuity is not required.

### **EMPLOYEES:**

There are no employees who are in receipt of remuneration exceeding the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 as amended.

### **CONSERVATION OF, ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

#### **Consumption of Energy & Technology absorption:**

The details as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of Conservation of Energy, Technology Absorption are not applicable.

#### **Foreign Exchange Earnings & Outgo**

(Amount in Rupees)

<b>Particulars</b>	<b>Year 2010-2011</b>
Foreign Exchange Earnings	NIL
Foreign Exchange Outgoings	NIL

### **DIRECTORATE:**

During the year under review Mr. Anurag Prasad and Ms. Neha Londhe retire by rotation as Director of the Company at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the listing agreement with the Stock Exchange, the Corporate Governance Report along with Certificate by the Practicing Company Secretary on its compliance, Management Discussion and Analysis Report forms a part of this Annual Report.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibilities Statement, the Directors of the company hereby state and confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Company has selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss/profit of the Company for the period under review;
3. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The accountants for the year ended 30th September, 2011 are prepared on a "Going Concern Basis".

### **ACKNOWLEDGEMENT:**

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the Shareholders. The Board also expresses their sincere thanks to the banks and all other well wishers for their timely support.

#### **By Order of the Board**

Sd/-

**Salman Ansari**  
Managing Director

Sd/-

**Anurag Prasad**  
Director

Place: Ahmedabad

Date: 5<sup>th</sup> December, 2011

# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

Asian Films Production and Distribution Limited continue to endeavor to follow the globally recognized best practices would enable our Company to face the challenges of growth effectively and successfully and contribute to enhancing shareholder value. We present hereunder the guidelines suggested and the practices followed at Asian Films Production and Distribution Limited.

The Company believes in preserving core values and ethical conduct of business towards maximizing shareholder value on a sustained basis. The Company seeks to achieve professionalism, transparent process and reporting systems and go beyond the mandated corporate Governance code in the interest of its stake holders.

As a company, we believe that good corporate governance is the backbone of any responsible organization and helps it compete more effectively in a dynamic market, providing value to stakeholders and investors.

We adhere to the best practices in the industry and elements such as transparency, accountability, professionalism and integrity form the core of our business. We intend to keep working on these aspects on an ongoing basis to improve efficiency and drive shareholder value.

The Company's philosophy on Corporate Governance ensures the fullest commitment of the Management and envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its activities and operations.

### Board of Directors

Composition and category of Directors and their attendance at Board meetings and last Annual General Meeting is as follows:

The Board of Directors met during the financial year 2010-2011 on following dates: 03/11/2010, 25/11/2010, 31/01/2011, 02/02/2011, 16/02/2011, 01/04/2011, 28/04/2011, 21/05/2011, 01/06/2011, 17/06/2011 30/08/2011 and 31/07/2011.

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 31/12/2010	Other Board		
					Directorship	Committee Chairmanship	Committee Membership
1.	Shri Salman Ansari	Managing Director	12	Yes	0	0	1
2.	Shri Satinder R Sharma	Independent Director	9	Yes	0	1	1

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3.	Shri Anurag Prasad	Executive Director	12	Yes	0	0	0
4.	Ms. Neha Londe	Independent Director	12	Yes	0	0	2
5.	Mr. Mukesh Soni	Independent Director	12	Yes	0	0	0

### Audit Committee

The Audit Committee consists of Four members, of which three members including Chairman are Independent Director.

During the financial year 2010-11, four meeting of the Audit committee were held on 08/12/2010, 20/1/2011, 16/05/2011 and 25/07/2011.

The composition of the Audit Committee as on September 30, 2011 and the attendance of the member at the meeting are as under:

Sr. No.	Name of Director	Category	No. of Meetings held during the year	No. of Meetings attended
1	Mr. Satinder Sharma (Chairman)	Independent Director	4	3
2	Mr. Mukesh Soni	Independent Director	4	2
3	Mr. Salman Ahmad Ansari	Managing Director	4	1
4	Mr. Anurag Prasad	Independent Director	4	3

### Powers of Audit Committee

As enumerated in Clause 49 of the Listing Agreement, the Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

### **Terms of reference:**

The broad terms of reference of Audit Committee includes the following, as mandated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and adequacy of the internal control systems.
7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors.
9. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### Shareholders Committee

The Shareholders'/Investor's Grievance Committee comprises of following non-executive directors, Shri Anurag Prasad, Ms. Neha Londe and Shri Satinder Sharma to look into the redressal of shareholders and investors complaints received and to oversee the performance of the Registrar and Share Transfer Agent of the Company. Shri Satinder Sharma is the Chairman.

Number of Shareholders' Complaints : 5

Number of Complaints not solved : 2

### General Body Meeting:

(I) Details of the Last Three Annual General Meetings:

The details of last three Annual General Meetings held are as under;

Date	Time	Venue
31/12/2010	10.00 a.m.	D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad - 380 004.
31/12/2009	10.00 a.m.	D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad - 380 004.
31/12/2008	11.30 a.m.	509, Devpath Tower, B/h Lal Bunglow, Off. C. G. Road, Ahmedabad -380 009.

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

### **Disclosures**

During the financial year ended 30th September, 2011 there were no materially significant related party transactions that may have potential conflict with the interest of Company at large with its promoters, directors, Subsidiaries or relatives.

The Company has complied with requirements of listing agreement/ regulations guidelines/ rules of the Stock Exchanges/ SEBI and other statutory authorities. The Company was not imposed with any penalties or issued any strictures on any capital markets related matters during the last three years.

### **Means of Communication**

The Board of Directors of the Company approves and takes on record the Unaudited financial results in the Proforma prescribed by the Stock Exchange and announces the results to all the Stock Exchanges where the Company's shares are listed and in the local news papers.

### **General Shareholder information**

#### **1. Annual General Meeting**

**Day and Date** : **Friday, December 30, 2011**  
**Time** : **10.00 a.m.**  
**Venue** : **D-164, BG Tower, Outside Delhi Delhi Darwaja, Ahmedabad – 380 004.**

#### **2. Financial Calendar for 2010-11**

**Financial reporting for the quarter ending December, 2010 :**  
Mid of February, 2011

**Financial reporting for the quarter ending March, 2011 :** Mid of May, 2011

**Financial reporting for the quarter ending June, 2011 :** Mid of August, 2011

**Financial reporting for the quarter ending September 2011 :**  
End of November, 2011

**Annual General Meeting of the year 2010-11 :** End December 2011

**3. Book Closure Date** : December 25, 2010 to December 31, 2011  
(both days inclusive)

**4. Dividend payment date :** Not Applicable (Since no dividend is proposed for the Financial year 2010-2011)

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- 5. Registered Office** : D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.
- 6. Plant Location** : The Company being film maker has no plant Locations
- 7. Listing Details** : Equity shares of the Company are listed on the following Stock Exchanges:

### **Name of Stock Exchanges**

#### **Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai 400 001.

The Company's payment of Fees is upto date.

#### **8. The Stock Codes :**

Bombay Stock Exchange Limited : 532047

#### **9. Market Price Data :**

Month	BSE	
	High (Rs.)	Low (Rs.)
October 2010	4.24	3.63
November 2010	4.30	3.53
December, 2010	4.50	3.48
January, 2011	4.40	3.41
February, 2011	3.85	3.00
March, 2011	3.82	2.73
April, 2011	5.13	2.94
May, 2011	5.91	4.00
June, 2011	4.34	3.28
July, 2011	3.97	3.34
August, 2011	4.43	3.35
September, 2011	4.43	2.86



## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

### 10. Registrar and Share Transfer Agent:

#### Sharex Dynamic (India) Private Limited

Unit -1, Luthra Ind. Premises, Andheri Kurla Road,  
Safeed Pool, Andheri (East), Mumbai – 400 072.

Tel: +91-22-28515606

Fax: +91-22-28512885

### 11. Share Transfer System:

Transfer of Shares in Physical form are processed within a period of 12 days from the date of the lodgment subject to documents being valid and complete in all respects.

### 12. Investor Services:

The status of investor's complaints as on September 30, 2011 is as follows:

No. of Complaints as on October 1, 2010 : 2

No of Complaints received during the Financial year : 8

No. of complaints resolved upto September 30, 2011 : 8

No of complaints pending as on September 30, 2011 : 2

### 13. Distribution of Shareholding

The Distribution of Shareholdings of the Company as on September 30, 2011 is as follows:

Number of Equity Shares held	Number of Shareholders	% to total Shareholders	No. of Shares held	% to total shareholding
Upto 5000	3915	63.62	8001600	6.06
5001-10000	1095	17.79	10139520	7.68
10001-20000	476	7.73	8096780	6.13
20001-30000	204	3.31	5352990	4.05
30001-40000	104	1.69	3870760	2.93
40001-50000	125	2.03	6125860	4.64
50001-100000	127	2.03	9610860	7.28
100001 and above	108	2.06	80877630	61.24
TOTAL	6154	100	132076000.00	100.00

### **14. Dematerialisation of Shares and Liquidity:**

The Shares of the Company are compulsorily traded in dematerialized form. The Shares of the company are admitted for trading under both the Depository Systems in India – NSDL & CDSL.

### **15. Investor Correspondence:**

#### **Asian Film Productions and Distributions Limited**

D-164, BG Tower, Outside Delhi Darwaja,  
Ahmedabad – 380 004. • Tel: +91-079-25620841  
Email: asianfilmsprod@gmail.com

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

### **DECLARATION**

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), it is hereby confirmed that all the Board Members and Senior Management Personnel of the company have affirmed the compliance with the Code of Conduct for the year ended 30th September, 2010.

Sd/-

**Salman Ansari**  
Managing Director

Place: Ahmedabad

Date: 5<sup>th</sup> December, 2011

### CEO / CFO CERTIFICATION

To the Board of Directors

**Asian Films Production & Distribution Ltd.**

- (a) We have reviewed financial statements and the cash flow statement for the year ended 30th September, 2011 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) To the best of their knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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 over financial reporting 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 over financial reporting.

Place: Ahmedabad

Date: 5<sup>th</sup> December, 2011

Sd/-

**Salman Ansari**  
Managing Director

# **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

## **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

### **Certificate of Compliance of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges.**

To,  
The Members of Asian Films Production & Distribution Ltd.  
(Formerly Known as K.C. Bokadia Films Limited)

We have examined the compliance of conditions corporate governance by Asian Films Production & Distribution Ltd, for the year ended 30th September, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are two investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

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

For **Shah Dikshit & Associates**  
Company Secretaries

Sd/-  
**Vaishali Parab**  
Partner  
COP. No. 9073

Place: Ahmedabad  
Date : 5<sup>th</sup> December, 2011

### AUDITORS' REPORT

To  
The Members  
**Asian Films Production and Distribution Ltd.**  
AHMEDABAD.

1. We have audited the attached Balance Sheet of **Asian Films Production and Distribution Ltd.** as at 30th September, 2011, and also the Profit and Loss Account and Cash Flows for the year 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.
2. We conducted our audit in accordance with the 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 a 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 for our opinion.
3. As required by the Companies (Auditor's 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.
4. Further to our comments in the Annexure referred to above, we report that;
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii. 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;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account and Cash flow statement dealt with this Report comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956 except.

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

AS-6 being Depreciation Accounting as depreciation has not been provided on all the assets except Computer.

As-15 bring accounting for Employee Benefits as no provision for gratuity liability is made.

- v. On the basis of written representations received from the Directors, as on 30th September, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our 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 the accounting principles generally accepted in India;
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2011.
- (b) In the case of the Profit and Loss Account, of the profit of the company for the year end on that date.
- (c) In case of Cash Flow Statement of the cash flow for the year ended on that date.

For **Agrawal Jain And Gupta**  
Chartered Accountants  
FRN : 013538C

Sd/-  
**CA Narayan Swami**  
Partner  
Mem.No. 409759

Place: Ahmedabad

Date : 5<sup>th</sup> December, 2011

### ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 3 of our report of even date.

- (i) (a) As explained to us the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However, the same has not been made available to us for our verification.
- (b) As explained to us, majority of the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, 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) During the year, the company has not disposed off any part of the Fixed Assets.
- (ii) (a) As explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. However there is no closing stock at the end of the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans secured or unsecured loans to parties covered in registered maintained under section 301 of the Companies ACT, 1956. Hence Clause (iii) (b),(c),(d) are not applicable to the company.
- (b) The Company had not taken any loans secured /unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause (iii) (f), (g) not applicable to the company
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal controls.



## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

- (v) (a) To the best of our knowledge and according to the explanations given to us we are of the opinion that there have been no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956. Hence clause (v) (b) is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public and hence the provision of this clause is not applicable to the company.
- (vii) The Company does not have a formal internal audit system. However, in our opinion there are adequate internal control procedures commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, sales tax, Wealth-tax, service tax, customs duty, excise duty and cess were outstanding, as at 30th September, 2011 for a period of more than six months from the date they become payable.
- (b) According to the records of the company, there are no dues of sales tax income-tax, custom duty, wealth tax, service tax, excise duty/cess, which have not been deposited on account of any dispute.
- (x) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit however the company has incurred cash profit.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- (xii) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.

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- (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company is not dealing or trading in shares and securities, debentures and other investments. Based on our audit procedures We are of the opinion that the company has maintained proper records of the transactions and contracts, timely updation have been made in that and the shares and securities have been held by the company in its own name.
- (xv) In our opinion the company has not given any guarantee for loans taken by others from financial institutions or bank.
- (xvi) During the year, The Company has not availed any term loan and hence this clause is no applicable to the Company.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no significant funds raised on short-term basis have been used for long-term investment and vice versa by the company.
- (xviii) The company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s.301 of the Act.
- (xix) During the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised any money out of public issue during the year under review. Hence the provision of this clause is not applicable to the company.
- (xxi) We report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **Agrawal Jain And Gupta**  
Chartered Accountants  
FRN : 013538C

Sd/-

**CA Narayan Swami**  
Partner  
Mem.No. 409759

Place: Ahmedabad  
Date : 5<sup>th</sup> December, 2011

**ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

**BALANCE SHEET AS AT 30.09.2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT 30/09/2011	AS AT 30/09/2010
<b>(I) <u>SOURCES OF FUNDS:</u></b>			
<b>Shareholders Fund:</b>			
Share Capital	1	132,076,000	132,076,000
Share Application Money		575,000.00	0
Reserve & Surplus	2	62,247,802	62,650,287
<b><u>LOAN FUNDS</u></b>			
Secured Loans			
Unsecured Loans	3	60,000	2,310,000
Unsecured Loans			
<b>TOTAL</b>		<b>194,958,802</b>	<b>197,036,287</b>
<b>(II) <u>APPLICATION OF FUNDS:</u></b>			
<b>Fixed Assets</b>			
Gross Block	4	265,053,250	265,053,250
Less: Accumulated Depreciation		543,398	481,394
<b>2. Investments</b>			
Capital Work In Progress		700,000	700,000
<b>Investments</b>	5	54,758,000	54,758,000
<b>Deferred Tax (Asset)</b>		163,203	163,203
<b>Current Assets Loans &amp; Advances</b>			
Inventories		-	-
Sundry Debtors	6	10,896,320	11,253,920
Cash And Bank Balances	7	62,905	116,138
Loans And Advances	8	123,612,149	125,095,149
		<b>134,571,374</b>	<b>136,465,207</b>
<b>Less: Current Liabilities &amp; Provisions</b>	9	276,323,200	276,201,552
<b>Net Current Assets</b>		<b>(141,751,826)</b>	<b>(139,736,345)</b>
<b>Miscellaneous Expenditure</b>	10	16,579,573	16,579,573
Preliminary Expenditure (To the extent not written off)			
<b>TOTAL</b>		<b>194,958,802</b>	<b>197,036,287</b>
<b>Notes Forming parts of Accounts</b>	17		
As per attached report of even date			
For, Agrawal Jain And Gupta, Chartered Accountants FRN:- 013538C		For, And on behalf of Board of Directors	
( CA Narayan Swami) Partner M. No. - 409759 Place : Ahmedabad Date: 05-12-2011	(Anurag Prasad) Director Place : Ahmedabad Date: 05-12-2011	(Salman Ansari) Director	

**ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON 30.09.2011**

(Amount in Rs.)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED ON 30.09.11	FOR THE YEAR ENDED ON 30.09.10
<b>INCOME</b>			
Sales/income from operation	11	-	800,000
Other Income	12	867,000	95,978
<b>Total Income</b>		<b>867,000</b>	<b>895,978</b>
<b><u>EXPENDITURE</u></b>			
Purchases	13	-	650,000
Payments to and Provision for the Employees	14	378,852	372,040
Administrative and Other Expenses	15	712,129	981,883
Finance cost	16	116,500	17,202
Depreciation		62,004	62,004
<b>Total Expenditure</b>		<b>1,269,485</b>	<b>2,083,129</b>
<b>Profit Before Tax</b>		<b>(402,485)</b>	<b>(1187151)</b>
<b>Less: Provision For Tax</b>			
Current Tax			-
Deferred Tax			-
Fringe Benefit Tax			-
<b>Profit After Tax</b>		<b>(402,485)</b>	<b>(1,187,151)</b>
Balance brought forward from previous year		1,533	1,188,684
<b>Balance Carried To Balance Sheet</b>		<b>(400,952)</b>	1,533
Basic And Diluted Earning Per Share		(0.03)	(0.01)
<b>Notes Forming Part Of Accounts</b>	17		
<p>As per attached report of even date  <b>For, Agrawal Jain And Gupta,</b>  <i>Chartered Accountants</i>  <b>FRN:- 013538C</b></p>			
<p align="center"><b>For, And on behalf of Board of Directors</b></p>			
<p><b>( CA Narayan Swami)</b>  <b>Partner</b>  <b>M. No. - 409759</b>  <b>Place : Ahmedabad</b>  <b>Date: 05.12.2011</b></p>		<p><b>(Anurag Prasad)</b>  <b>Director</b>  <b>(Salman Ansari)</b>  <b>Director</b>  <b>Place : Ahmedabad</b>  <b>Date: 05.12.2011</b></p>	

**ASIAN FILMS PRODUCTION & DISTRIBUTION LIMITED**  
**(Formerly known as K C Bokadia Films Limited)**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amount in Rs.)

PARTICULARS	AS AT 30/09/2011	AS AT 30/09/2010
<b><u>SCHEDULE-1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<u>Authorised:</u>		
25000000 Equity Shares of Rs.10 Each ( P.Y. 25000000 Equity Shares of Rs. 10/- Each )	250,000,000	250,000,000
	250,000,000	250,000,000
<b><u>Issued, Subscribed and Paid up Capital:</u></b>		
13207600 Equity shares of Rs.10/- each fully paid up (P.Y. 13207600 Equity Shares of Rs. 1/- each )	132,076,000	132,076,000
Fraction difference change in face value of share		-
<b>Total</b>	<b>132,076,000</b>	<b>132,076,000</b>
<b><u>SCHEDULE-2</u></b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
Securities Premium Account	-	-
Share Forfeiture Account	13,596,000	13,596,000
Amalgamation Reserve	49,052,754	49,052,754
Balance in Profit and Loss Account	(400,952)	1,533
<b>Total</b>	<b>62,247,802</b>	<b>62,650,287</b>
<b><u>SCHEDULE-3</u></b>		
<b><u>UNSECURED LOANS</u></b>		
From Directors	-	-
From others	60,000	2,310,000
	60,000	2,310,000
<b><u>SCHEDULE-5</u></b>		
<b><u>INVESTMENTS</u></b>		
<b>Long Term - Non Traded (Un quoted)</b>		
Bhavi Leasing & Finance Ltd.	3,000,000	3,000,000
Kajal Agro Farms Pvt. Ltd.	4,500,000	4,500,000
Medha Projects Ltd.	4,500,000	4,500,000
Pearl Plantation Pvt. Ltd.	2,000,000	2,000,000
Ramkrishana Filaments Ltd.	5,380,000	5,380,000
Samrajya Agro Farms Pvt Ltd.	5,500,000	5,500,000
Sukruti Organisers & Agro Pvt. Ltd.	828,000	828,000
Varun Management Services Pvt. Ltd.	29,050,000	29,050,000
Aggregate book value of the Unquoted Investments Rs. 54758000/- (P.Y. Rs. 54758000/-)		
<b>Total</b>	<b>54,758,000</b>	<b>54,758,000</b>

**SCHEDULE-6**  
**SUNDRY DEBTORS**

(Unsecured Considered good)

Debt outstanding for period		
Exceeding six months	10,896,320	11,253,920
Others	-	-
<b>Total</b>	<b>10,896,320</b>	<b>11,253,920</b>

**PARTICULARS**

**AS AT**                      **AS AT**  
**30/09/2011**                **30/09/2010**

**SCHEDULE-7**  
**CASH AND BANK BALANCES**

<b>Balance with Banks in Current Accounts</b>		
with schedule Banks	8,685	87,055
with Co-operative Bank	3,699	3,698
Cash On hand	50,521	25,385
<b>Total</b>	<b>62,905</b>	<b>116,138</b>

**SCHEDULE-8**  
**LOANS AND ADVANCES**

(Unsecured considered good otherwise stated)

Advance recoverable in cash/kind or for value to be recd.	123,609,368	125,092,368
TDS Receivable	2,781	2,781
<b>Total</b>	<b>123,612,149</b>	<b>125,095,149</b>

**SCHEDULE-9**  
**CURRENT LIABILITIES & PROVISIONS**

**a. Current Liabilities:**

Sundry Creditors	276,216,596	276,123,993
Statutory Liability	269	16,224
Provision for Exp.	72425	27425
	276,289,290	276,167,642

**b. Provision for Taxation:**

Fringe Benefit Tax	-	-
Income Tax	33,910	33,910
	33,910	33,910

**Total**            **276,323,200**            **276,201,552**

**SCHEDULE-10**  
**MISCELLANEOUS EXPENDITURE**

Preliminary Expenditure	16,579,573	16,579,573
Add: Expenses Incurred During the year	-	-
<b>Total</b>	<b>16,579,573</b>	<b>16,579,573</b>

**SCHEDULE-11  
SALES**

Sales Income from Films Distribution Rights	-	800,000
<b>Total</b>	<b>-</b>	<b>800,000</b>

<b>PARTICULARS</b>	<b>AS AT 30/09/2011</b>	<b>AS AT 30/09/2010</b>
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**SCHEDULE-12  
OTHER INCOME**

Interest received	304,500	27,978
other income from film distribution	562,500	68,000
<b>Total</b>	<b>867,000</b>	<b>95,978</b>

**SCHEDULE-13  
PURCHASE**

Purchase of Films distribution Rights		650,000
<b>Total</b>	<b>-</b>	<b>650,000</b>

**SCHEDULE-14  
PAYMENTS TO & PROVISIONS FOR THE  
EMPLOYEES**

Salary , Wages , Bonus & Allowances	85,000	102,000
Staff welfare exp.	6,852	21,040
Director Remunerations	287,000	249,000
<b>Total</b>	<b>378,852</b>	<b>372,040</b>

**SCHEDULE-15  
ADMINISTRATIVE AND OTHER EXPENSES**

Advertisement Expenses	62,011	131,774
Bank Charges	16,723	-
Office General Expense	5,980	26,808
Conveyance & Petrol Expense	13,024	4,603
Listing Fees	183,204	577,105
Legal & Professional Expense	23,980	11,835
Audit Fees	45,000	52,575
Stationary and Printing Expenses	211,313	15,873
Rent Expenses	12,000	24,000
Repair & Maintenance	-	-
Telephone Expenses	3,241	5,066
ROC Fees	2,000	5,500
Share transfer exp.	57,196	37,042
Travelling Exp.	-	-
Sundry balances W/o	-	-
Miscellaneous Expenses	76,457	89,702
<b>Total</b>	<b>712,129</b>	<b>981,883</b>

**SCHEDULE-16  
FINANCIAL EXPENSES :**

Interest paid	116,500	17,057
Bank charges	-	145
<b>Total</b>	<b>116,500</b>	<b>17,202</b>

**ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

**FIXED ASSETS  
SCHEDULE-4**

SR. NO.	BLOCK OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Opening Balance 01.10.10	Additions during the year	Deduction during the year	Balance as on 30-10-11	Opening Balance 01.10.10	Provided during the year	Dedu. During the year	Balance as on 30-09-2011	Balance as on 30-09-11	Balance as on 30-09-10
1	Land & Site	575,000	-	-	575,000	-	-	-	-	575,000	575,000
2	Office Premises	2,225,000	-	-	2,225,000	-	-	-	-	2,225,000	2,225,000
3	Furniture & Fixture	500,000	-	-	500,000	-	-	-	-	500,000	500,000
4	Vehicles	515,000	-	-	515,000	-	-	-	-	515,000	515,000
5	Plant & machinery	300,000	-	-	300,000	-	-	-	-	300,000	300,000
6	Equipments	10,000	-	-	10,000	-	-	-	-	10,000	10,000
7	Computers	928,250	-	-	928,250	481,394	62,004	-	543,398	384,852	570,964
8	Intangible assets- films	-	260,000,000	-	260,000,000	-	-	-	-	260,000,000	-
	<b>TOTAL</b>	<b>5,053,250</b>	<b>260,000,000</b>	<b>-</b>	<b>265,053,250</b>	<b>481,394</b>	<b>62,004</b>	<b>-</b>	<b>543,398</b>	<b>264,509,852</b>	<b>4,695,964</b>
	Previous Year	5,053,250	-	-	5,053,250	357,386	62,004	-	419,390	4,695,964	4,633,860



**ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30.09.2011**

PARTUCULARS		2010-11	2009-10
<b>A</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	NET PROFIT/(LOSS) BEFORE TAX AS PER PROFIT & LOSS A	-402485	-1,187,151
	<b>ADJUSTMENT FOR :</b>		
	DEPRECIATION	62004	62,004
	Provision for DTA	0	0
	<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	<b>-340,481</b>	<b>-1,125,147</b>
	<b>ADJUSTMENT FOR CHANGE IN WORKING CAPITAL</b>		
	TRADE & OTHER RECEIVABLES	357600	1,000,300
	LOAN & ADVANCES	1483000	-1,262,441
	TRADE PAYABLES	121648	259,053,690
	<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,621,768</b>	<b>257,666,402</b>
	TAXES PAID	0	0
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,621,768</b>	<b>257,666,402</b>
<b>B</b>	<b>CASH FLOWS FROM INVESING ACTIVITIES</b>		
	PURCHASE OF FILM RIGHTS	0	-260,000,000
	SALE OF CAPITAL WORK IN PROGRESS	0	0
	PURCHASE OF COMPUTER	0	0
	SALE OF INVESTMENTS	0	0
	<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>0</b>	<b>-260,000,000</b>
<b>C</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Share Application Moneu Received	575,000	0
	INTEREST PAID	0	0
	(PAYMENT)/RECEIPS OF UNSECURED BORROWINGS	-2250000	2,160,000
	PROCEEDS FROM OTHER BORROWING		0
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-1,675,000</b>	<b>2,160,000</b>
	<b>NET INCREASE A+B+C</b>	<b>-53,232</b>	<b>-173,598</b>
	<b>CASH AND CASH EQUIVALENTS ( AT THE BEGINNING OF T</b>	116,138	289,736
	<b>YEAR)</b>		
	<b>CASH AND CASH EQUIVALENTS ( AT THE END OF THE YEA</b>	<b>62,906</b>	<b>116,138</b>
	As per attached report of even date		
	For, Agrawal jain And Gupta, Chartered Accountants FRN:- 409759	For, And on behalf of Board of Directors	
	( CA Narayan Swami) Partner M. No. - 409759 Place : Ahmedabad Date: 05\12\2011	(Anurag Prasad) (Salman Ansari) Director Director Place : Ahmedabad Date: 05\12\2011	

## **SCHEDULE-17**

### **NOTES FORMING PART OF ACCOUNTS**

#### **1. Significant accounting Policies**

##### **(a) Basis of Accounting:**

The financial statements are prepared under historical cost convention and to comply in all material respect with the notified accounting standards by the Companies Accounting standard Rules - 2006 and the relevant provision of Companies Act, 1956. Except AS-6 being Depreciation Accounting as depreciation has not been provided on all the assets except Computer.

##### **(b) Fixed Assets**

Fixed Assets are stated at cost, except computer stated at cost less accumulated depreciation. The cost of fixed asset comprise of its purchase price and any directly attributable cost of bringing the assets in an operational condition for its intended use.

##### **(c) Depreciation**

Depreciation has not been provided at the rates and in the manner prescribed in Schedule XIV of the Companies act, 1956. Depreciation on addition or on sale/ disposal of assets is calculated on pro-rata basis from the date of such addition or sale/ disposal as the case may be.

However no Depreciation has been provided for the year under review except on computers.

##### **(d) Valuation of Inventories**

Stock in trade is valued at cost or net realizable value whichever is lower. However there is no closing stock at the end of the year.

##### **(e) Investment**

Long term investments are stated at cost. Provision of diminution in the value of Long term investments is made only if such decline is other than temporary in nature in the opinion of the Management.

##### **(f) Revenue Recognition**

Sales are recognized when the significant risks and rewards of ownership of goods have been passed to the buyer, which coincides with dispatch of goods

## **ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.**

and Execution of contract of distribution rights. Purchases are also shown at its purchase/cost of acquisition.

All the income & expenses are accounted on accrual basis except liability for leave encashment if any, which is accounted for as and when paid.

### **(g) Retirement/ Post retirement Benefits**

The company has not made provision for gratuity and leave encashment as prescribed by the Accounting Standard (AS) – 15(Revised) on Employee Benefits. In the opinion of the management, none of the employees are eligible for the benefit of gratuity.

### **(h) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between the taxable incomes and accounting income that originate in, one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **(i) Provisions, Contingent Assets and Contingent Liabilities**

A provision involving substantial degree of estimation are recognized when there is a present obligation as a result of past event and it is probable that there will be on outflow or resources.

## **NOTES FORMING PART OF ACCOUNTS**

- (a) In the view of the Management, No Provision is required to be made for Depreciation on fixed assets except Depreciation on Computer. The effect of which can not be quantified, to that extent Profit for the year and balance in Profit & loss account is over stated.
- (b) The Company has not made any Provision regarding Gratuity liability as prescribed by the accounting standard 15 (Revised) on employee benefits.
- (c) Investments are long term and unquoted in nature and hence in the view of the management no provision for diminution in the value of investments is required to be made.
- (d) Segment Reporting: The Company Operates in single Segment. i.e. Media.

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(e) Related Party Disclosure :

There is no transaction that has taken place during the year with related parties to be disclosed as required by Accounting Standard -18 " Related party Transaction" issued by the Institute of Chartered Accountants Of India and notified by the Companies Accounting standard Rules – 2006.

(f) Earning per share

Particulars	For the year ended on 30.09.11 (Amount in Rs.)
Net profit attributable to equity shareholders	Rs. 4,02,485/-
Weighted Average no. of equity shares outstanding	13,20,76,000
Basic And Diluted Earning per Share (Face Value Rs.1)	Rs. (0.003)

(g) The deferred tax assets & liabilities for the current year comprises of tax effect of the following timing differences.

Particulars	For the year ended on 30.09.2011	For the year ended on 30.09.2010
Opening Differed Tax Assets	1,63,203/-	1,63,203/-
Add: DTA Recognized During the Year	NIL	NIL
Closing DTA Balance As at	1,63,203/-	1,63,203/-

(h) Additional information pursuant to the provision of para 3,4C & 4D of part III of Schedule-VI of the Companies Act, 1956. (To the extent applicable)

	For the year ended on 30.09.2011	For the year ended on 30.09.2010
(1) Licensed Capacity	N. A.	N. A.
(2) Installed Capacity	N. A.	N. A.
(3) The company does not maintain quantitative details of Goods.		
(4) C.I.F. Value of Imports	Rs. Nil.	Rs. Nil.
(5) Expenditure in foreign currency	Rs. Nil.	Rs. Nil.
(6) Earnings in Foreign Exchange	Rs. Nil.	Rs. Nil.

## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

(7) Particulars of payment made to Auditor's:-

<b>Particulars</b>	<b>For the year ended on 30.09.2011</b>	<b>For the year ended on 30.09.2010</b>
Statutory Audit	25000	25000

(8) The balances shown in the Balance sheet under the head of unsecured loans, Creditors, Debtors and Loans and Advances are each subject to confirmation from respective parties and are subject to adjustment if any, on receipt of confirmation.

(9) The Company has not received any intimation from Suppliers regarding their status under Micro and Medium Enterprises Development Act, 2006 and hence disclosure , if any, relating to amounts unpaid as at year end together with interest paid/payable as required under the said Act have not been given.

(10) Remuneration to Director :-

<b>Particulars</b>	<b>For the year ended on 30.09.2011</b>	<b>For the year ended on 30.09.2010</b>
Salary and allowances	2,87,000/-	249,000/-

**ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**

Registered Office : D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.

**SIXTEENTH ANNUAL GENERAL MEETING**

**ATTENDANCE SLIP**

I certify that I am a shareholder /proxy for the registered shareholder of the Company.

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company being held on Friday, the 30<sup>th</sup> December, 2011 at 10.00 A.M. at D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.

\_\_\_\_\_  
Name of the Member in BLOCK LETTERS Member's Signature

\_\_\_\_\_  
Name of the Proxy in BLOCK LETTERS Proxy's Signature

Note : Please fill the attendance slip and hand it over at the ENTRANCE OF THE HALL.

----- ✂ ----- Tear Here ----- ✂ -----

**ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**

Registered Office : D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.

**SIXTEENTH ANNUAL GENERAL MEETING**

**PROXY FORM**

Folio No. / Client ID \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ being a member / members of **ASIAN FILMS**

**PRODUCTION AND DISTRIBUTION LIMITED**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

in the district \_\_\_\_\_ or failing him/her \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

the district of \_\_\_\_\_ as my/our proxy

to vote for me/us on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the Company

to be held on Friday, the 30<sup>th</sup> day of December, 2011 at 10.00 A.M. and at any adjournment thereof.

Place:

Date:

Affix  
1 Rupee  
Revenue  
Stamp

Signature

## **BOOK-POST**

*If undelivered, please return to :*

**Asian Films Production and Distribution Limited**

D-164, BG Tower,

Outside Delhi Darwaja,

Ahmedabad – 380 004.