



# **ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**

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

## **17TH ANNUAL REPORT 2011-2012**



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

**17th ANNUAL REPORT**  
**2011-2012**

<b>AUDITORS</b> <b>M/s. Agarwal Jain And Gupta,</b> Chartered Accountants Shop No. 2, Ashok Vihar, Jaipur Road, Chomu (Jaipur) - 303 702.	<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.
<b>LISTING</b> The Stock Exchange, Mumbai	<b>REGISTERED OFFICE</b> D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.
<b>ANNUAL GENERAL MEETING</b> Date : 27 <sup>th</sup> December, 2012 Time : 09.00 A.M. Day : Thursday  <b>VENUE :</b> E-337, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.	

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## 17th ANNUAL REPORT 2011-2012

### 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 Thursday 27th day of December, 2012 at 09.00 A.M. at E-337, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance sheet as at 30th September 2012 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. Satinder Sharma, Director of the Company, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint Mr. Anurag Prasad, 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 20st December 2012 to 27th December 2012 (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: 01/12/2012

## 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, 2012 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: 01/12/2012

## 17th ANNUAL REPORT 2011-2012

### DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the **SEVENTEENTH Annual Report** together with the Audited Accounts for the year ended 30th September, 2012 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 2011-2012	Year ended 2010-2011
Net Profit/(Loss)	(7,23,955)	(4,64,489)
Less: Depreciation	62,004	62,004
Profit/(Loss) before Taxation	(6,61,951)	(4,02,485)
Less: Provision for Taxation	-----	----
Less: Deferred Tax	(1,63,203)	----
Profit / (Loss) After Tax	(8,25,154)	(4,02,485)
Add: Provision written back	-----	----
Balance Transfer last year	(4,00,952)	1,533
Balance Carried Forward	(12,26,106)	(4,00,952)

#### 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. 2011-2012, the Company has incurred a loss/profit before tax of Rs (8,25,154)

#### 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 the Board of Directors) Rules, 1988 in respect of conservations of energy, technology absorption are not applicable.

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

(Amount in Rupees)

<b>Particulars</b>	<b>Year 2011-2012</b>
Foreign Exchange Earnings	NIL
Foreign Exchange Outgoings	NIL

### **DIRECTORATE:**

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

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### **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, 2012 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: 01/12/2012

# 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 2011-2012 on following dates:

The Board of Directors met during the financial year 2011-12 on following dates:

Sr. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM held on 31/12/2011	Other Board		
					Director-ship	Committee Chairmanship	Committee Membership
1.	Shri Salman Ansari	Managing Director	12	Yes	0	0	1
2.	Shri Satinder 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	1	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 2011-12, four meeting of the Audit committee were held on 21/10/11, 16/11/2011/28/02/2012 and 27/03/2012

The composition of the Audit Committee as on September 30, 2012 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. Salman Ahmad Ansari	Managing Director	4	1
3	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 : 10

Number of Complaints not solved : 5

### 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
31/12/2011	10.00 a.m	D-164, BG Tower, Outside Delhi Darwaja, Ahmedabad - 380 004.
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.

## **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, 2012 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** : **Thursday December 27, 2012**  
**Time** : **09.00 a.m.**  
**Venue** : **E-337, BG Tower, Outside Delhi Delhi Darwaja, Ahmedabad – 380 004.**

#### **2. Financial Calendar for 2011-12**

**Financial reporting for the quarter ending December, 2011 :**  
Mid of February, 2012

**Financial reporting for the quarter ending March, 2012 :** Mid of May, 2012

**Financial reporting for the quarter ending June, 2012 :** Mid of August, 2012

**Financial reporting for the quarter ending September 2012 :**  
End of November, 2012

**Annual General Meeting of the year 2011-12 :** End December 2012

**3. Book Closure Date** : **December 20, 2012 to December 27, 2012**  
(both days inclusive)

**4. Dividend payment date:** **Not Applicable (Since no dividend is proposed for the Financial year 2011 - 2012)**

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- 5. Registered Office** : E-337, 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, 2011	2.72	2.00
November, 2011	2.30	1.53
December, 2011	1.73	1.38
January, 2012	1.50	1.28
February, 2012	1.58	1.26
March, 2012	1.85	1.20
April, 2012	1.90	1.32
May, 2012	1.92	1.32
June, 2012	1.72	1.28
July, 2012	3.00	1.56
August, 2012	2.26	1.72
September, 2012	3.04	1.95



## 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 is 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, 2012 is as follows:

No. of Complaints as on October 1, 2011 : 2

No of Complaints received during the Financial year : 8

No. of complaints resolved upto September 30, 2012 : 5

No of complaints pending as on September 30, 2012 : 5

### 13. Distribution of Shareholding

The Distribution of Shareholdings of the Company as on September 30, 2012 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**

E-337, 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, 2012.

Sd/-

**Salman Ansari**  
Managing Director

Place: Ahmedabad

Date: 01/12/2012

**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, 2012 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: 01/12/2012

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.

## 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, 2012, and also the Profit and Loss Account and Cash Flows for the year ended on that date annexed. There to. 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. 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.***

***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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September, 2012 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, 2012.
- (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: Mumbai  
Date : 01/12/2012

### ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 4 of our report to the members of **Asian Films Production and Distribution Ltd.** of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management at reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications.
  - (c) The Company has not disposed off a substantial part of fixed assets during the year, and accordingly, going concern is not affected.
- (ii) The Company has a policy of treating motion pictures under production as inventory till the date of release/agreement whichever is earlier. Consequently, there is no tangible inventory carried by the Company. Accordingly, the provisions of Paragraph 4(ii) of the said Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Accordingly, Paragraph 4(iii) of the said Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company's internal control procedures for the purchase of inventory and for the sale of goods and services needs to be further strengthened so as to be commensurate with the size of the Company and nature of its business. In respect of purchase of fixed assets, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable. Accordingly, the provisions of Paragraph 4(vi) of the said Order are not applicable to the Company.



## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

- (vii) The Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of the activities of the Company. Accordingly the provisions of Paragraph 4(viii) of the said Order are not applicable to the Company.
- (ix) (a) According to the information and explanations given to us, except for delays in depositing tax deducted at source, the Company is generally regular in depositing undisputed statutory dues including provident fund, investors education and protection fund, employees' state insurance, income-tax, service tax, excise duty, custom duty, cess and any other statutory dues as applicable, with the appropriate authorities during the year. Except arrears of outstanding Income Tax Demand is not certain able pertaining to previous years. Appeal filed in ITAT for the assessment year 2004-5, 2005-06, 2007-08 & and 2008-09. At the end of the financial year, and the company had filed appeal against the said order. There are no outstanding Statutory dues except above as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, income-tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) After considering the effect of quantified qualification, in our opinion and according to the information and explanations given to us, the accumulated losses of the Company at the end of the financial year does not exceed fifty percent of its net worth. The Company has not incurred cash losses during the current financial year and also in the immediately preceding financial year.
- (xi) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to financial institutions :
- (xii) In our opinion, and on the basis of our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Paragraph 4(xii) of the said Order are not applicable to the Company.

## 17th ANNUAL REPORT 2011-2012

- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of Paragraph 4(xiii) of the said Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Paragraph 4(xiv) of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee to the Company as reflected in Note no 3 to Schedule 'S'.
- (xvi) According to the information and explanations given to us that the company had not raised any term loan.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term purposes.
- (xviii) The Company has not made preferential allotment of shares to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of Paragraph 4(xviii) of the said Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of Paragraph 4(xix) of the said Order are not applicable to the Company.
- (xx) During the year the Company has partly restructured the Bank loan by issuing Fully Convertible Warrants as stated in Notes.
- (xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year.

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

Sd/-

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

Place: Mumbai  
Date : 01/12/2012

# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

## BALANCE SHEET AS AT 30th SEPTEMBER, 2012

(Amount in Rs.)

Particulars	Note No.	30.09.2012	30.09.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3.1	13,20,76,000	13,20,76,000
(b) Reserves and Surplus	3.2	6,14,22,648	6,22,47,802
<b>(2) Share Application money pending allotment</b>			
	3.3	5,75,000	5,75,000
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	3.4	60,000	60,000
(b) Trade Payables	3.5	27,63,17,047	27,62,16,596
(c) Other Current Liabilities	3.6	2,13,992	72,694
(d) Short-Term Provisions		33,910	33,910
<b>Total Equity &amp; Liabilities</b>		<b>47,06,98,597</b>	<b>47,12,82,002</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	3.7	26,44,47,848	26,45,09,852
(ii) Capital Work in Progress		7,00,000	7,00,000
(b) Non-current investments	3.8	5,47,58,000	5,47,58,000
(c) Deferred tax assets (net)	3.9	-	1,63,203
(d) Long term loans and advances	3.10	12,27,69,648	12,27,69,648
<b>(2) Current Assets</b>			
(c) Trade receivables	3.11	1,04,98,320	1,08,96,320
(d) Cash and cash equivalents	3.12	59,781	62,905
(e) Short-term loans and advances 3.13		8,85,427	8,42,501
(f) Other current assets	3.14	1,65,79,573	1,65,79,573
<b>Total Assets</b>		<b>47,06,98,597</b>	<b>47,12,82,002</b>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our Report of even date.

as per our attached report

**For Agarwal Jain and Gupta**  
Chartered Accountants

Sd/-  
**(CA Narayan Swami)**

Partner

Membership No: 409759

Firm Reg. No.: 013538C

Place: Mumbai

Date: 01/12/2012

**For and on behalf of the Board**

Sd/-  
**Salman Ansari**  
Director

Sd/-  
**Anurag Prasad**  
Director



# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

## 3.1 SHARE CAPITAL

Particulars	30.09.2012	30.09.2011
<b>AUTHORIZED CAPITAL</b>		
2,50,00,000 (30 Sept 2011: 2,50,00,000)		
Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
	25,00,00,000	25,00,00,000
<b>ISSUED , SUBSCRIBED &amp; PAID UP SHARES</b>		
1,32,07,600 (30 Sept 2011: 1,32,07,600)		
Equity Share of Rs.10 each Fully Paid Up	13,20,76,000	13,20,76,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>13,20,76,000</b>	<b>13,20,76,000</b>

### (a) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

### (b) Details of shareholders holding more than 5% shares in the company

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders.

## 3.2 RESERVE & SURPLUS

Particulars	30.09.2012	30.09.2011
Securities Premium reserve	-	-
Share Forfiture Account	1,35,96,000	1,35,96,000
Amalgamation Reserve	4,90,52,754	4,90,52,754
<b>Closing Balance</b>	<b>6,26,48,754</b>	<b>6,26,48,754</b>
Surplus/ (deficit) in the statement of profit and loss		
Balance as per the last year's financial statements	(4,00,952)	1,533
Add: Profit for the period	(8,25,154)	(4,02,485)
Net deficit in the statement of profit and loss	(12,26,106)	(4,00,952)
	<b>6,14,22,648</b>	<b>6,22,47,802</b>

## 17th ANNUAL REPORT 2011-2012

Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

### 3.3 SHORT TERM BORROWINGS

Particulars	30.09.2012	30.09.2011
Short Term Borrowing From Others	60,000	60,000
	<b>60,000</b>	<b>60,000</b>

### 3.4 TRADE PAYABLE

Particulars	30.09.2012	30.09.2011
Trade payables (including acceptances)	27,63,17,047	27,62,16,596
	<b>27,63,17,047</b>	<b>27,62,16,596</b>

### 3.5 OTHER CURRENT LIABILITIES

Particulars	30.09.2012	30.09.2011
Statutory Liability	269	269
Provision for Exp.	2,13,723	72,425
Other liabilities	-	-
	<b>2,13,992</b>	<b>72,694</b>

### 3.6 SHORT TERM PROVISIONS

Particulars	30.09.2012	30.09.2011
<b>Provision</b>		
Provision for Taxation	33,910	33,910
	<b>33,910</b>	<b>33,910</b>

# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

## Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

### 3.7 TANGIBLE FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at Oct. 01, 2011	Adjustments		As at Sept. 30, 2012	As at Oct. 01, 2011	Year Ended	Deletion / Adjustments	As at Sept. 30, 2012	As at Sept. 30, 2011
		Additions	Deduction						
Land & Site	5,75,000	-	-	5,75,000	-	-	-	5,75,000	5,75,000
Office Premises	22,25,000	-	-	22,25,000	-	-	-	22,25,000	22,25,000
Furniture & Fixture	5,00,000	-	-	5,00,000	-	-	-	5,00,000	5,00,000
Vehicles	5,15,000	-	-	5,15,000	-	-	-	5,15,000	5,15,000
Plant & Machinery	3,00,000	-	-	3,00,000	-	-	-	3,00,000	3,00,000
Equipments	10,000	-	-	10,000	-	-	-	10,000	10,000
Computers	9,28,250	-	-	9,28,250	5,43,398	62,004	-	3,22,848	3,84,852
Intangible Assets - Films	26,00,00,000	-	-	26,00,00,000	-	-	-	26,00,00,000	26,00,00,000
Total	26,50,53,250	-	-	26,50,53,250	5,43,398	62,004	-	26,44,47,848	26,45,09,852
Previous Year	50,53,250	26,00,00,000	-	26,50,53,250	4,81,394	62,004	-	26,45,09,852	45,71,856

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### Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

#### 3.8 NON CURRENT INVESTMENT

Particulars	30.09.2012	30.09.2011
Investment in equity instruments (unquoted)		
Bhavi Leasing & Finance Ltd.	30,00,000	30,00,000
Kajal Agro Farms Pvt. Ltd.	45,00,000	45,00,000
Medha Projects Ltd.	45,00,000	45,00,000
Pearl Plantation Pvt. Ltd.	20,00,000	20,00,000
Ramkrishana Filaments Ltd.	53,80,000	53,80,000
Samrajya Agro Farms Pvt Ltd.	55,00,000	55,00,000
Sukruti Organisers & Agro Pvt. Ltd.	8,28,000	8,28,000
Varun Management Services Pvt. Ltd.	2,90,50,000	2,90,50,000
Aggregate book value of the Unquoted Investments Rs. 54758000/- (P.Y. Rs. 54758000/-)	<b>5,47,58,000</b>	<b>5,47,58,000</b>

Non Current investments are carried in the financial statements at cost. However, provision for diminution in value is not recognize other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### 3.9 DEFERRED TAX LIABILITY/(ASSET) (NET)

Particulars	30.09.2012	30.09.2011
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	1,63,203
<b>Gross deferred tax liability</b>	<b>-</b>	<b>1,63,203</b>
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
Deferred tax asset on carried forward losses	-	-
	-	-
<b>Net deferred tax liability/ (asset)</b>	<b>-</b>	<b>1,63,203</b>



# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

## 3.10 LONG TERM LOANS AND ADVANCES

Particulars	30.09.2012	30.09.2011
<b>Security deposit (Unsecured and considered good)</b>		
Security deposit for leased premises	-	-
Other security deposit	-	-
	-	-
<b>Advances recoverable in cash or kind</b>		
Share application money	-	-
Unsecured, Considered Good	-	-
Unsecured, Considered doubtful	12,27,69,648	12,27,69,648
Less Provision for loans and advances	-	-
	<b>12,27,69,648</b>	<b>12,27,69,648</b>
	<b>12,27,69,648</b>	<b>12,27,69,648</b>

## 3.11 TRADE RECEIVABLES

Particulars	30.09.2012	30.09.2011
<b>Outstanding for more than six months</b>		
a) Unsecured, Considered Good :		
b) Doubtful	1,04,98,320	1,08,96,320
	<b>1,04,98,320</b>	<b>1,08,96,320</b>

## 3.12 CASH AND BANK BALANCES

Particulars	30.09.2012	30.09.2011
Bank balance		
- In current accounts with bank		
i) In India with scheduled banks	1,062	8,685
ii) In India with Copertative Bank	3,699	3,699
	<b>4,761</b>	<b>12,384</b>
Cash on hand	55,020	50,521
	<b>59,781</b>	<b>62,905</b>

## 17th ANNUAL REPORT 2011-2012

Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

### 3.13 SHORT TERMS LOANS AND ADVANCES

Particulars	30.09.2012	30.09.2011
Loans & Advance Recoverable in cash or in kind		
Unsecured, Considered Good	8,42,720	8,39,720
Unsecured, Considered Doubtful	-	-
	<b>8,42,720</b>	<b>8,39,720</b>
Others		
Advance Income Tax	2,781	2,781
Prepaid Expenses	39,926	-
	<b>42,707</b>	<b>2,781</b>
<b>Total in Rs.</b>	<b>8,85,427</b>	<b>8,42,501</b>

### 3.14 OTHER CURRENT ASSETS

Particulars	30.09.2012	30.09.2011
Unsecured and considered good		
Unamortised share issue expenses	1,65,79,573	1,65,79,573
<b>Total in Rs.</b>	<b>1,65,79,573</b>	<b>1,65,79,573</b>

### 3.15 REVENUE FROM OPERATIONS

Particulars	30.09.2012	30.09.2011
Sales/Income from operation	-	5,62,500
	-	<b>5,62,500</b>

### 3.16 OTHER INCOME

Particulars	30.09.2012	30.09.2011
Interest income	-	3,04,500
Miscellaneous Incomes	-	-
	-	<b>3,04,500</b>

# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

Notes to financial statements for the year ended 30th September, 2012

(Amount in Rs.)

## 3.17 EMPLOYMENT BENEFIT EXPENSES

Particulars	30.09.2012	30.09.2011
Salaries and wages	48,000	85,000
Staff welfare	-	6,852
Director Exp.	1,20,000	2,87,000
	<b>1,68,000</b>	<b>3,78,852</b>

## 3.18 FINANCIAL COST

Particulars	30.09.2012	30.09.2011
Interest	-	1,16,500
Bank Charges	19,693	16,723
	<b>19,693</b>	<b>1,33,223</b>

## 3.19 DEPRECIATION & AMORTISED COST

Particulars	30.09.2012	30.09.2011
Depreciation	62,004	62,004
	<b>62,004</b>	<b>62,004</b>

## 3.20 OTHER ADMINISTRATIVE EXPENSES

Particulars	30.09.2012	30.09.2011
Rent	48,000	12,000
Office general Exp.	1,800	5,980
Listing fees/NSDL	73,016	1,83,204
Telephone exp.	3,741	3,241
Roc fees	2,000	2,000
Share Transfer Exp.	21,597	57,196
Printing & Stationery Expenses	1,32,022	2,11,313
Advertisement & Publicity	42,656	62,011
Conveyance & Petrol Exp.	-	13,024
Legal and professional fees	2,000	23,980
Auditors Remuneration (refer details below)	28,090	45,000
Miscellaneous expenses	57,332	76,457
Provision for doubtful advances	-	-
	<b>4,12,254</b>	<b>6,95,406</b>

## **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2012.**

### **1. Background**

Asian Films production and Distribution Limited (Formerly Known as K C Bokadia Films Limited) incorporated 6th of December 2012. The Company is in to the business of production/distribution of movies.

### **2. Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below. Except AS-6 being Depreciation Accounting as depreciation has not been provided on all the assets except Computer.

- (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.

### **2.1 Summary of significant accounting policies**

#### **(a) Change in accounting policy**

##### **Presentation and disclosure of financial statements**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of

## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

### **(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### **(c) Tangible fixed assets**

Fixed Assets are stated at cost, except computer stated at cost less accumulated depreciation, The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

### **(d) Depreciation Tangible fixed assets**

Depreciation on fixed assets is calculated on a Straight line Method thod at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

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

### **(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

The Company recognizes / creates rights in motion pictures as intangible asset in the form of Intellectual Property Rights (IPR's). The same is in consideration of the future economic benefits and availability of the aforesaid rights for re-distribution after the expiry of initial period of distribution agreement. The recognition / creation of IPR's are made at a fixed proportion of the production cost depending on the date of release of the motion picture on the following basis:

- i. At 30% of the production cost of the motion picture in case the picture is released within 90 days before the year end.
- ii. At 10% of the production cost of the motion picture in case the picture is released more than 90 days before the year end.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

A summary of depreciation/ amortization policies applied to the company's intangible assets is as below:

The amortization of motion picture rights is made taking into consideration the following factors:

## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

The date of release/sale of the respective motion picture as referred above and  
The tenure of the distribution agreement.

Based on above, the amortization of Intellectual Property Rights is carried out on the following basis:

Particulars	Picture is released within 90 days before the year end	Picture is released more than 90 days before the year end
In the immediately succeeding year of release/sale *	2/3rd	-
Over the balance period of distribution agreement*	1/3rd	1/3rd

\*The above amortization of Intellectual Property rights is subject to the management estimate of future revenue potential.

### (f) Leases

Leases, where the less or effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### (g) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### (h) Impairment of tangible and assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's

or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### **(i) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities.

### **(j) Inventories**

- i. Motion pictures under production- valued at cost or net realizable value (which ever is lower) recognized as Projects in progress under inventory till the date of release. The copyrights for future years inherent in the motion pictures are created out of the cost of production and recognized as intangible assets.
- ii. Cost of motion pictures comprises the cost of materials, labour and other related expenses. Borrowing cost directly attributable to movies is capitalized as part of the cost of movies.
- iii. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### **(k) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.



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

The following specific recognition criteria must also be met before revenue is recognized:

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 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.

### **(1) Accounting for taxes on income**

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **(m) Foreign currency translation**

#### **Foreign currency transactions and balances**

##### **i. Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **ii. Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in

terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### **iii. Exchange differences**

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Translation Difference Account” and amortized over the remaining life of the concerned monetary item.
3. All other exchange differences are recognized as income or as expenses in the period in which they arise.

### **(n) Retirement and other employee benefits**

- i. Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account.
- ii. Provision for gratuity and leave encasements is not made provide in books as and when payable. 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.

### **(o) Segment reporting**

#### **Identification of segments**

The company’s operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

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

### **(p) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

### **(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

### **(r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **(s) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

**3.21 Earnings per share**

<b>Particulars</b>	<b>30-Sept.-12</b>	<b>30-Sept.-11</b>
Net profit/(loss) after tax for the year	(8,25,154)	(4,02,485)
Equity shares outstanding as the year end	1,32,07,600	1,32,07,600
Nominal value per share (Rs.)	10	10
Earnings per share		
- Basic	(0.06)	(0.03)
- Diluted	(0.06)	(0.03)

**3.22 Related party transaction**

As per accounting standard on Related Party Disclosure (AS-18) as notified by the companies Accounting Standard Rules, 2006 (as amended), the names of the related parties of the Company are as follows:

**Names of related parties and related party relationship**

Related parties where control exists irrespective of whether transactions have occurred or not:

**Key Managerial Personnel**

Anurag Prasad -Whole Time Director

**C. Remuneration to key managerial personal**

Anurag Prasad (Whole Time Director)	1,200,000	2,87,000
-------------------------------------	-----------	----------

**3.23 Contingent liabilities**

The following are the details of contingent liabilities

- a. Claims against the Company not acknowledged as debt are Rs. (Previous year - Rs.).

The Company has cases pending at the Central Investigation Unit (Customs) and Securities Exchange Board of India. The departments are yet to pass final order hence the liability for the same is currently unascertainable.

## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

### 3.24 Contingent liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	March 31,2012	March 31,2011
Claims against Company not acknowledged as debts and contested by the company.	NIL	NIL
	—	—
<b>Total</b>	—	—

- a) The details of the suit filed against the company pending for disposal is as under:

S. No.	Name of the Parties	Particulars
1	Karun Jain & Other	CLB

- b) The details of the suit filed by the company pending for disposal is as under:

S. No.	Name of the Parties	Particulars
1	Karun Jain & Other	CLB

### 3.25 Auditors' remuneration (exclusive of service tax)

Particulars	March 31,2012	March 31,2011
Statutory audit	25000	25000
Other Services	-	-
<b>Total</b>	<b>25,000</b>	<b>25,000</b>

3.26 Balances in respect of certain sundry debtors, sundry creditors and loans and advances are taken as shown by the books of account and are subject to confirmation and consequent adjustments and reconciliation, if any.

3.27 As per Management opinion Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

3.28 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

**3.29 Figures in brackets represent those of the previous year.**

**3.30 Figures for the previous year have been regrouped / amended wherever necessary.**

**Signature on Notes to Accounts 1 to 3.30**

as per our attached report

For **Agarwal Jain and Gupta**  
Chartered Accountants

Sd/-  
**(CA Narayan Swami)**  
Partner

**For and on behalf of the Board**

Sd/-  
**Salman Ansari**  
Director

Sd/-  
**Anurag Prasad**  
Director

Membership No: 409759  
Firm Reg. No.: 013538C

Place: Mumbai  
Date: 01/12/2012

## ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30th SEPTEMBER, 2012

(Amount in Rs.)

PARTICULARS	30-09-2012	30-09-2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	<b>(661,951)</b>	<b>(402,485)</b>
Adjustments For:		
Depreciation/Amortisation	62,004	62,004
	62,004	62,004
Operating Cash Flow Before Changes In Working Capital	<b>(599,947)</b>	<b>(340,481)</b>
Adjustments For:		
(Increase)/Decrease In Sundry Debtors	398,000	357,600
(Increase)/Decrease In Loans And Advances	(42,926)	1,483,000
Increase/(Decrease) In Current Liabilities And Provisions	241,749	121,648
Net Changes In Working Capital	(3,124)	1,621,767
Taxes Paid	-	-
Extraordinary Items	-	-
<b>Cash Generated From/(Used In) Operations</b>	<b>(3,124)</b>	<b>1,621,767</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase Of Fixed Assets	-	-
Sale/Surrender Of Fixed Assets	-	-
Purchase Of Investments	-	-
Sale Of Investments	-	-
Dividend Received	-	-
Interest Received	-	-
<b>Cash Generated /(Used In) From     Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	-	-
Share Application money	-	575,000
Securities Premium Received From Issue Of Equity Share Capital	-	-
Share Issue Expenses (Adjusted Against Securities Premium Account)	-	-
Proceeds From Borrowings	-	-
Repayment Of Borrowings	-	(2,250,000)
<b>Cash Generated /(Used In) From     Financing Activities</b>	<b>-</b>	<b>(1,675,000)</b>

## 17th ANNUAL REPORT 2011-2012

### CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2011

(Amount in Rs.)

PARTICULARS	30-09-2012	30-09-2011
<b>Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(3,124)</b>	<b>(53,233)</b>
Cash And Cash Equivalents At The Beginning Of The Year	62,905	116,138
Cash And Cash Equivalents At The End Of The Year	59,781	62,905
<b>Note:</b>		
<b>1 Cash and cash equivalents at the year end comprise:</b>		
Cash On Hand	55,020	50,521
Balance With Scheduled Banks In		
- Current Accounts	4,761	12,384
- Deposit Accounts		
	<b>59,781</b>	<b>62,905</b>
	-	-
<b>2</b> The Cash Flow Statement Has Been Prepared Under Indirect Method As Set Out In Accounting Standard 3, 'Cash Flow Statement' Issued By The Institute Of Chartered Accountants Of India		

as per our attached report

For **Agarwal Jain and Gupta**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**(CA Narayan Swami)**  
Partner

Sd/-  
**Salman Ansari**  
Director

Sd/-  
**Anurag Prasad**  
Director

Membership No: 409759  
Firm Reg. No.: 013538C

Place: Mumbai  
Date: 01/12/2012



# ASIAN FILMS PRODUCTION & DISTRIBUTION LTD.

## Balance Sheet Abstract and Company's General Business Profile

### 1 Registration Details:

Registration No.	28341	State Code	04						
Balance Sheet		3	0	0	9	2	0	1	2
Date		Date	Month	Year					

### 2 Capital raised during the year (Amount in Lakhs)

Public Issue	N I L	Bonus Issue	N I L
Right Issue	N I L	Private Placement	N I L

### 3 Position of Mobilization and Deployment of Funds (Amount in Thousands)

Total Liabilities	4	7	0	7	Total Assets	4	7	0	7
Sources of Funds									
Paid-up Capital	1	3	2	1	Reserves and Surplus	6	2	6	
Secured Loans	N	I	L		Unsecured Loans	N	I	L	
Deferred Tax Liability (Net) money	N	I	L		Share application				6

#### Application of Funds

Net fixed assets including capital work in progress	2	6	5	1	Investments	5	4	8
Net current assets	-	1	2	5	8	1	6	6
Miscellaneous expenditure								
Accumulated losses				1	2			

# 17th ANNUAL REPORT 2011-2012

## 4 Performance of the Company (Amount in Rs. Lakhs)

Turnover (Total income)

--	--	--	--	--	--	--	--	--	--	--	--	--	--

+ - Profit/(Loss) Before Tax

<input checked="" type="checkbox"/>													7
-------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	---

Total Expenditure

													7
--	--	--	--	--	--	--	--	--	--	--	--	--	---

+ - Profit/(Loss) After Tax

	<input checked="" type="checkbox"/>												8
--	-------------------------------------	--	--	--	--	--	--	--	--	--	--	--	---

(Please tick Appropriate box + for profit, - for loss)

Earnings per Share (Rs)

(on profit after taxes)

					-	0	.	0	6
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Dividend Rate %

(Equity)

N	I	L
---	---	---

## 5 Generic Names of Three Principal Products / Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

		8	5	2	4	9	0	0	1
--	--	---	---	---	---	---	---	---	---

Product Description

In house production of motion pictures, television serials and distribution of motion pictures produced by third parties.

For and on behalf of the board of directors

Managing Director

Director

Place: Mumbai

Date: 01/12/2012

**ASIAN FILMS PRODUCTION AND DISTRIBUTION LIMITED**

Registered Office : E-337, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.

**SEVENTEENTH 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 that SEVENTEENTH ANNUAL GENERAL MEETING of the Company being held on Thursday , the 27h December, 2012 at 9.00 A.M. at E-337, 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 : E-337, BG Tower, Outside Delhi Darwaja, Ahmedabad – 380 004.

**SEVENTEEN 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 SEVENTEENTH ANNUAL GENERAL MEETING of the Company

to be held on Thursday, the 27th day of December, 2012 at 9.00 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**

E-337, BG Tower,

Outside Delhi Darwaja,

Ahmedabad – 380 004.