

## NOTICE

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of Bokadia Films Limited (formerly known as BMB Music & Magnetics Limited) will be held on Thursday, 30<sup>th</sup> day of September, 2010 at 04:30 P.M. at the Registered office of the Company at A-Block Amrit Kalash Near Kamal & Company, Tonk Road, Jaipur-302015 to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2010 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajeev Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sarda Soni Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting in place M/s. Karnani & Co., Chartered Accountants who were appointed as a Statutory Auditors of the Company at the Annual General Meeting held on 29<sup>th</sup> September, 2009 and who hold office upto the conclusion of this Annual General Meeting and who have expressed their inability to continue as Statutory Auditor of the Company, and to authorise the Board of Directors to fix the remuneration of M/s. Sarda Soni Associates, Chartered Accountants.

### SPECIAL BUSINESS

5. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

**“RESOLVED THAT** in accordance with the provisions of Section 260 of the Companies Act, 1956, Shri Vinay Jain (who was appointed as an Additional Director of the Company by the Board of Directors on 15/12/2009 and who holds office under Section 260 of the Companies Act, 1956 only upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing along with a deposit of Rs. 500/- in terms of Section 257 of the Companies

Act, 1956, from a member proposing the candidature of Shri Vinay Jain for the Office of the Director) be and is hereby elected and appointed as Director of the Company and who shall be subject to retire by rotation.

By order of the Board of Directors,

Kastoor Chand Bokadia  
Managing Director

Place: Jaipur  
Dated: 06/09/2010

Registered Office:-  
A-Block Amrit Kalash  
Near Kamal & Company,  
Tonk Road, Jaipur

**NOTES:**

- 1) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member.

Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 11.00 am on 28th September, 2010.

- 2) Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3) Members are requested to bring their attendance slips along with copy of Annual Report.
- 4) Members who wish to obtain information on the Company may send their queries at least 10 days before the Annual General Meeting to the Company at its Registered Office of the Company.
- 5) The Register of Members and Transfer Books in respect of Equity Shares of the Company will be closed from 21<sup>st</sup> September, 2010 to 30th September, 2010 (both days inclusive).
- 6) Members are requested to notify change in address, if any immediately to the company at its Registrars M/s Adroit Corporate

Services Pvt. Ltd., 19/20 Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai-400059.

- 7) Members may avail nomination facility as provided under Section 109A of the Companies Act, 1956.
- 8) Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
- 9) As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for appointment of the Directors / re-appointment of the retiring Directors, a statement containing details of the concerned Directors is given below.

#### Annexure to Notice

#### Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreements)

Name of Director	<b>Mr. Mahesh Sharma</b>
Age	32
Date of Appointment	15/02/2004
Expertise in specific functional areas	<b>Directed many films and T.V. Serials and done many stage shows</b>
Qualifications	<b>Under Graduate</b>
List of Companies in which outside Directorship held as on 06th September, 2010 (excluding Private Companies)	NIL
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31 <sup>st</sup> March, 2010	NIL

Name of Director	<b>Mr. Rajeev Jain</b>
Age	42
Date of Appointment	24/05/2008
Expertise in specific functional areas	<b>Businessman</b>
Qualifications	<b>B.A.</b>
List of Companies in which outside Directorship held as on 06th September, 2010	NIL

(excluding Private Companies)	
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31 <sup>st</sup> March, 2010	NIL
Name of Director	Mr. Vinay Jain
Age	26
Date of Appointment	15/12/2009
Expertise in specific functional areas	Business Administration, Finance etc
Qualifications	Graduation
List of Companies in which outside Directorship held as on 06th September, 2010 (excluding Private Companies)	NIL
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31 <sup>st</sup> March, 2010	NIL

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement as required under Section 173 of the Companies Act, 1956**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice of the Annual General Meeting dated 30<sup>th</sup> September, 2010.

#### **Items No. 5**

Shri Vinay Jain was appointed as Additional Director of the Company w.e.f. 15/12/2009 and holds the Office upto the date of this Annual General Meeting pursuant to Section 260 of the Company Act, 1956 and Article 82 of the Articles of Association of the Company.

Notice u/s. 257 of the said Act has been received from a Member alongwith the deposit of Rs. 500/- signifying his intention to propose the name of Shri Vinay Jain for appointment as a Director of the Company. Shri Vinay Jain has already filed his consent to Act as a Director with the Company.

Your Directors recommend the approval of proposed Resolution by the members.

None of the Directors of the Company are interested in the Resolution.

**By order of the Board of Directors,**

**Kastoor Chand Bokadia  
Managing Director**

## **DIRECTOR'S REPORT TO THE MEMBERS:-**

The Directors have pleasure in presenting their 19<sup>th</sup> Annual Report and Audited Accounts for the year ended on 31<sup>st</sup> March, 2010.

### **I. FINANCIAL RESULTS:-**

(Rs. In '000)

<b>Particulars</b>	<b>For the Year ended 31<sup>st</sup> March 2010</b>	<b>For the Year ended 31<sup>st</sup> March 2009</b>
Sales	396.10	634.90
Other Income	38.00	0.00
Total Income	434.10	634.90
Profit / (Loss) Before Depreciation	(3185.56)	(158.53)
Depreciation	1937.25	1937.25
Net profit / (Loss) for the year	(5122.81)	(2095.78)
Extra-ordinary Expenses	(1158.86)	0.00
Net Profit/ (Loss) before Tax	(6281.68)	(2095.78)
Deferred Tax liability for earlier Year	386.22	348.75
Adjustment of Security Premium with opening Balance of P/L A/C	0.00	48036.72
Balance in P/L A/c carried to balance Sheet	(7642.48)	(1747.03)

### **II. DIVIDEND:**

In view of the losses and overall financials of the Company, the Directors regret their inability to recommend any dividend for the year ended on 31<sup>st</sup> March, 2010.

### **III. DIRECTORS**

In accordance with the provisions of the Companies act, 1956, and the Articles of Association of the Company Mr. Mahesh Sharma and Mr. Rajeev Jain are to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Board of Directors recommends their re-appointment.

Mr. Vinay Jain was appointed as the Additional Director w.e.f. 15<sup>th</sup> December, 2009 in the Board Meeting held on 15<sup>th</sup> December, 2009. He holds office upto the date of the ensuing Annual General Meeting. A Notice has been received in writing from the Members proposing his appointment as the Director.

### **IV. PERFORMANCE AND FUTURE PROSPECTS**

The Company suffered a loss of Rs.51.23 Lacs as against Rs.20.96 Lacs in the preceding financial year. The performance of the Company is likely to improve as the Board of Directors are hopeful of break-through in production of films and to enlarge its present business activities.

**V. REVOCATION OF SUSPENSION**

The suspension in Trading of Shares of the Company was revoked w.e.f. 14<sup>th</sup> December, 2009 vide BSE Notice No. 20091208-14 dated 08<sup>th</sup> December, 2009. The Shares of the Company are being traded at Bombay Stock Exchange.

**VI. AUDITOR'S REPORT**

M/s. Karnani & Co., Chartered Accountants Statutory Auditors of your Company holds office until the conclusion of the 19<sup>th</sup> Annual General Meeting. M/s. Karnani & Co., have expressed their unwillingness to continue as Statutory Auditors of the Company. M/s. Sarda Soni Associates, Chartered Accountants have given their consent to be appointed as Statutory Auditors of the Company if appointed by the Members and have confirmed that their appointment if made will be within the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956

Further, the Auditor's Report read with notes to the accounts referred are self-explanatory and therefore, do not require any comment / clarification.

**VII. PARTICULARS OF EMPLOYEES**

Information in accordance with Sub-Section (2A) of the Section 217 of the Companies act, 1956, as amended read with Companies (Particulars of Employees) Rules, 1975 is Nil.

**VIII. FIXED DEPOSIT**

During the year under review, your Company has not accepted any fixed deposit from public in terms of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

**IX. AUDIT COMMITTEE**

The Audit Committee consists of Independent Directors, namely, Dr. Azgan Thamizmane (Chairman), Mr. Mahesh Jangid (Member) and Mr. Jaidev Chakroborty (Member). The constitution of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

## **X. INVESTORS GRIEVANCE COMMITTEE**

The Investors Grievance Committee consists of Dr. Azgan Thamizmane (Chairman), Mr. Mahesh Jangid (Member) and Mr. Jaidev Chakroborty (Member). The constitution of Investor Grievance Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

## **XI. CORPORATE GOVERNANCE:**

Your Company's philosophy is to enhance Stakeholders' value by adopting and implementing best of the Corporate Governance practices. A detailed Report on Corporate Governance Compliance duly certified by the Practicing Company Secretary form part of this Report as Annexure "A".

## **XII. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report is appended to the Annual Report.

A Management Discussion, an Analysis Report also forms part of this Report of your Directors as Annexure "B".

## **XIII. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that

- a. In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.
- c. The Directors had 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.
- d. The Directors had prepared the annual accounts on a going concern basis.



**XIV. PARTICULARS OF ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information in accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given as under:-

**Conservation of Energy:** Company Activities do not involve any significant energy consumption; however every effort is being made to conserve it.

**XV. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

The Company does not carry out any specific R & D activity on its own. However, the Company adopts the latest trends in Technology Development and introduces the same so as to ensure higher production and reduction in cost with best output in return.

Foreign exchange Earnings & Outgoings

(a) Foreign Exchange Earnings	:	NIL
(b) Foreign Exchange Outgo	:	NIL

**By order of the Board of Directors,**

Kastoor Chand Bokadia

**Managing Director**

Place: Jaipur.

Dated: 30/05/2010

**Registered Office:-**

A-Block Amrit Kalash

Near Kamal & Company,

Tonk Road, Jaipur

## **ANNEXURE – B**

### **REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

#### **INTRODUCTION:**

**BOKADIA FILMS LIMITED** (formerly known as BMB Music & Magnetics Limited) (hereinafter referred as “the Company”) was engaged in the business of manufactures of cassettes. However, due to rapid change in technology and introduction of digitalized Musical Software, the business of cassettes manufacturing as become out dated. The Company is therefore venturing into new business ventures such as making of T.V. Serials, marking of mega Films, films production etc. The Board of Directors of the Company has decided to take up low budget Bojpuri Films begin with. The Company has completed one Bhojpuri Film (earlier named as “KABTAK CHUP RAHEIN”). There is immense scope in media and entertainment business.

#### **FINANCIAL PERFORMANCE:**

During the year under report the Company’s sales declined from Rs. 6.35 Lacs to Rs. 3.96 Lacs. The other Income was .38 Lacs as against in the preceding financial year 2008-2009 the other income was Nil. The loss before depreciation was Rs. 31.85 Lacs as against loss of Rs. 1.58 Lacs in the preceding financial year. The loss after depreciation was Rs. 51.22 Lacs as against loss of Rs. 20.96 lacs in the preceding financial year.

#### **INDUSTRIAL STRUCTURE AND DEVELOPMENT**

In terms of films produced and released every year, India is considered to be the largest film producing country in the world. At the rate of 800 films a year, the cumulative consumer spending on filmed entertainment products in the country is estimated to be over 60 billion a year of which the Hindi film industry itself attracts 40-50 per cent. Close on the heels follow the Tamil and Telugu language film industry.

Analyzing the structural aspects of the Hindi film industry, Hindi films are broadly sub-divided into three categories namely High Grade, Medium Grade and Low Grade. Films in all these three categories have different attributes related to cost of production, consumer reach, release windows, library values, proportion of revenue flow back in the first year of its release and marketing support through co-promotions with consumer brands.

The film industry is undergoing rapid changes. Looking at the emerging business trends it is seen that the number of production of High Grade Hindi Films has increased from 60 in 2001 to 89 in 2004. In the same period production and release of Hindi films increased from 157 to 177. Analyzing the release of HGHF films between 2001 and 2004 it is seen that such films released per week has grown by 62 per cent.

There can be seen a trend towards producing multiple films every year by select production houses. 63 out of 89 HGHF films released in 2004 were produced by production houses and companies which earlier used to produce one film in a year. There can also be seen a growing trend towards co-productions that have increased from 3 in 2001 to 15 in 2004.

The average number prints on which a film falling in the top 50 Hindi Film Group has increased by 22 % from 310 in 2001 to 377 in 2004 and in the same period average number of domestic prints increased by 18 per cent from 239 to 282 while overseas prints escalated from 71 to 96. It has also been noticed that the number of overseas prints increased in the case of big Hindi films while the number of domestic prints increased for an average film in the top 50 Hindi Film Group.

Going by the release trend it has been noticed that the number of prints on which a film belonging to the top 50 Hindi Film Group releases increased by 22 per cent from 310 in 2001 to 377 in 2004. In the same period average number of domestic prints increased by 18 % from 239 to 282 while prints for overseas exhibition increased by 36 % from 71 to 96. While it has been found that the number of overseas prints has increased for big-scale Hindi films, that of prints for the domestic market increased for an average film in the top 50 Hindi Film Group.

On the attendance front the opening weekend (Friday-Sunday) constitutes 56% of cinema attendances while 44 % of admissions spread over the remaining four-day period between Monday to Thursday. Going quarterwise the second and third quarter of the calendar year (2004) contributed 57 % (Second-30%) and (Third-27%) as compared to 43 % for the first (19%) and fourth (24%) quarter.

Gross Box Office Collections (GBOC) of Hindi films have increased from Rs 9.29 billion in 2001 to Rs 11.99 billion in 2004 that denotes an increase of 29.08 % between 2001 and 2004. Average GBOC per film amongst the top 50 films have increased from Rs 169 million in 2001 to Rs 200 million in 2004. Since not many other films ran in same theatres for more than three weeks, average collection trends of all Hindi films together show that a higher proportion of their collections coming from the opening weekend and in the first three weeks of release.

Outside the US, India is probably the strongest local film market in the world. Going by the release of foreign films it was noted that such films grossed Rs 1800 million and constituted 15-17% and 20 % of GBOC for all Hindi films and Top 50 Hindi films respectively. It may be noted that the proportion of GBOC for all Hindi films and Top 50 Hindi films respectively.

The main work of Media industry is to provide information and generate public opinion. The definition of media has changed and media has many sub forms like Broadcasting with the help of TV and radio, Entertainment with use of audio visuals -films and videos, internet that includes blogs, forums, music, news, then Publishing of Books, papers, magazines, and it also includes postal mail, telephony and other interactive Media.

Raised regulations, quality content development, competitive pricing, increased consumer base and significant marketing, creative use of technology and work effectiveness are the key drivers of Indian media industry. Because of varied structure and root presences, many media companies in India have grown up speedily and are recruiting newer young talent for increased efficiency and creativity. Because of this starting a Career in media industry is the latest trend among many youngsters in India. The strong influence that media holds over people's life has also attracted many to start a career in Media. The business opportunities in Indian media and entertainment industry are enormous. There is untapped potential along with the good creativity talent. In addition, good economy, FDI inflow, higher per capita income are the main reasons, because of which new media industries are opening up, thus giving good Career in media industry.

### **SEGMENTWISE PERFORMANCE**

The Company is dealing in single business segment i.e Media and Media products and all the business dealings are in India only.

### **FUTURE OUTLOOK**

The future outlook of the company is very prospective. .

### **OPPORTUNITIES AND THREATS**

#### **Opportunities**

Thanks to the boom in India's Media and Entertainment industry has brought many opportunities that were earlier regarded as mere hobbies have become full time career options. There are plenty of work profile in media sector such as radio jockeys, actors, musicians, dancers, journalists, video technology creators and managers to accounts planning, cameramen, and editors, soundmen and public relations managers. This sector offers career opportunities for all. There are many high profile jobs that are in constant public glare and can help to earn unimaginable incomes. Here are some of the profiles-

**Mass Communications-** Careers in mass communication basically involve journalism and editing jobs for television as well as print media. Television, Film and Multimedia-Career opportunities involve all opportunities in film and television industry from creating new ideas for stories and concepts to graphics and animation, etc.

**Writers-** Media and Entertainment industry offers great career opportunities for writers. A special demand is seen for political writers, writers for travel, history, places, etc.

**Live Entertainment-** The live entertainment segment is witnessing a huge demand for event management professionals.

## **Threat**

There are many production houses in the same line of product, hence there is always a pressure of tough competition. The company's product always depends on the liking of the product. There is always a threat of rivals in the same line of business

*With new flicks being available online within hours of their big screen release, the film industry is grappling with yet another form of piracy.*

With new flicks being available online within hours after they are released in theatres, the film industry is grappling with yet another form of piracy that is rapidly eating into the profits of the industry.

Industry sources say there are quite many websites available that let people download films with crystal clear picture and sound quality for free, within hours of the film's release.

"Piracy has hit the movie business in a big way. Internet film piracy started with the film *Vivah*, which was heavily promoted on the Internet by the pirate websites with a fine print. The film did well in the multiplexes and websites also made huge profits by providing it for free," says Shalu Sabharwal, Vice President, Sales and marketing, PVR Cinemas.

Cyber law expert Pawan Duggal says, "Right now, we don't have any specific cyberlaw for internet film piracy. It comes under copyright infringement and is a serious offence. It's for the film industry to take steps and put pressure on the government to enforce laws to stop this crime".

Films like *Aaja Nachle*, *Jab We Met*, *Om Shanti Om*, *Saawariya* and *Dhan Dhana Dhan Goal* were available on the Net within hours of the release, he adds.

"Globally internet piracy business would be around USD 18-20 billion and films constitute almost 60 per cent to this ever-growing crime. The demand of Bollywood films on Internet is quite high in India as well as abroad, says Neeraj Roy, Managing Director, Hungama mobile and owner of *Indiafm.com*, a leading entertainment portal, while adding that they are working on a mechanism to track and monitor internet piracy.

## **OUTLOOK, RISKS AND CONCERNS**

The entry of new corporate and star struck NRI producers with deep pockets has impacted the cost of film production to a great extent in recent times. While overheads relating to production has gone up substantially, public response to films has become very unpredictable and lukewarm with pirated CDs hitting rock bottom price and

available from the day of release of a film. These are all some of the concerns which the industry has to address immediately. However your company expects reversal in the trend in the years to come.

Thanks to rapidly decreasing internet connectivity costs and increase in connectivity speeds, the potential for web-casting of the films is good. As the company has a large library of films for which it possesses internet rights, it stands to gain in this scenario.

### **RISK MANAGEMENT**

The Company gives importance to risk management in all its business dealings. The company has an enterprise-wide approach to risk management which lays emphasis on identifying major risks in operations and strategic risks. Through this approach it strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact the company's future performance. Within the organization, every decision taken is after weighing the pros and cons of such a decision making taking note of the risks attributable.

### **CAUTIONARY STATEMENT**

Any statement made in this report relating to Company's perception of future outlook, objectives, expectations etc. may be considered as forward looking within the meaning of applicable Securities Laws and regulations which may differ from the actual results.

## **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy is to enhance Customer's satisfaction and Shareholders value by practicing the principles of good Corporate Governance.

#### **I. BOARD OF DIRECTORS**

The Board of the Company is well structured with adequate blend of Professional, Executive and Independent Directors.

The Company's Board comprised of Eight Directors: one is Promoter Executive Director, two are Promoter Non-Executive Directors and five are Non-Executive Independent Directors. More than half of the Board of Directors comprises of Independent Directors.

The composition of the Board is in conformity with the Clause 49 of the Listing Agreements entered into with the Stock Exchanges and exceeds by far the percentages prescribed in the said Agreements. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

- i. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2010 have been made by the Directors.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 Companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

The Board met 12 (Twelve) times during the year on 29/04/2009, 01/06/2009, 05/06/2009, 15/07/2009, 27/07/2009, 31/07/2009, 05/09/2009, 30/09/2009, 30/10/2009, 11/11/2009, 15/12/2009 and 30/01/2010

**II. COMPOSITION, CATEGORY, THEIR DIRECTORSHIP AND COMMITTEE MEMBERSHIP IN OTHER COMPANIES**

Name of Directors	Category of Directors	No. of Board Meetings attended during the year 2009-10	No. of Directorship in other Public Companies	Number of Other Board Committee		Attendance at the last Annual General Meeting
				As Chairman	As Member	
Mr. K. C. Bokadia (Chairman & Managing Director)	Promoter & Executive Director	12	Nil	Nil	Nil	Yes
Mr. Mahavir C. Bokadia	Promoter & Non-Executive	12	Nil	Nil	Nil	Yes
Mr. Mr. Parmod Bokadia	Promoter & Non-Executive	12	Nil	Nil	Nil	No
Mr. Mahesh Jangid	Non-Executive Independent	7	Nil	Nil	Nil	No
Mr. Jaidev Chakroborty	Non-Executive Independent	4	Nil	Nil	Nil	Yes
Mr. Azgan Thamizma ne Vadaseri Alagappa	Non-Executive Independent	4	Nil	Nil	Nil	No
Mr. Rajeev Jain	Non-Executive Independent	7	Nil	Nil	Nil	No
Mr. Vinay Jain*	Non-Executive	1	Nil	Nil	Nil	No

**Note:** \* Mr. Vinay Jain appointed as an Additional Director w.e.f. 15/12/2009



## **DETAILS OF DIRECTORS BEING APPOINTED AND RE- APPOINTED**

Mr. Mahesh Sharma who retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement)

Name: **Mr. Mahesh Sharma**  
Age: 32  
Qualification: Under Graduate  
Expertise: Produced, directed and assisted in directing many TV Serials and Hindi Films and also done stage show.  
Other Directorships: NIL  
(Excluding Directorship  
In Private Limited Companies)

Mr. Rajeev Jain who retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement)

Name: Mr. Rajeev Jain  
Age: 42  
Qualification: B.A  
Expertise: Business man.  
Other Directorships: NIL  
(Excluding Directorship  
In Private Limited Companies)

Mr. Vinay Jain who is appointed as Additional Directors seeks confirmation as Director at the ensuing Annual General Meeting.

(In pursuance of clause 49 of the Listing Agreement)

Name: Mr. Vinay Jain  
Age: 26

Qualification: Graduation

Expertise: Business Administration, Finance etc

Other Directorships: NIL  
(Excluding Directorship  
In Private Limited Companies)

### **III. AUDIT COMMITTEE**

#### **i) TERMS OF REFERENCE:**

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with the Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

#### **ii) COMPOSITION, NAME OF MEMBER AND CHAIRMAN**

During the year the Audit Committee comprises of Mr. Azgan Thamizmane Vadaseri Alagappa as Chairman, Mr. Mahesh Jangid and Mr. Jaidev Chakroborty as Members. All these Members of this Committee are Independent Directors and possess requisite experience and expertise across a wide spectrum of functional areas including accounts and finance.

The Audit Committee met 5 times i.e. 29/04/2009, 15/07/2009, 31/07/2009, 30/10/2009 and 30/01/2010.

<b>Name of Member</b>	<b>Designation</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Mr. Azgan Thamizmane Vadaseri Alagappa	Chairman	5	5
Mr. Jaidev Chakroborty	Member	5	5
Mr. Mahesh Jangid	Member	5	5

#### **iii) THE BROAD POWERS OF THE AUDIT COMMITTEE INCLUDE:**

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

- iv) The Chairman of the Audit Committee has not attended the last Annual General Meeting.

#### **IV. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE**

##### **Terms of Reference:**

This Committee looks into Redressal of Shareholders and Investors Grievances with respect to transfer of shares, issue of duplicate certificates and other matters relating to Shareholder relationship.

The committee shall also review the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the company and their resolution.

##### **Composition:**

During the year the Committee comprised of three Independent Non-Executive Directors. The Shareholder/ Grievance Committee met 5 times i.e. 29/04/2009, 15/07/2009, 31/07/2009, 30/10/2009 and 30/01/2010 and the attendance at the Meetings was as follows.

<b>Name of Member</b>	<b>Designation</b>	<b>Meetings held</b>	<b>Meetings attended</b>
Mr. Mr. Azgan Thamizmane Vadaseri Alagappa	Chairman	5	5
Mr. Jaidev Chakroborty	Member	5	5
Mr. Mahesh Jangid	Member	5	5

There were no Investor complaints pending as on 31<sup>st</sup> March, 2010.

#### **V. GENERAL BODY MEETINGS**

##### **ANNUAL GENERAL MEETINGS**

The details of the location and time of the last 3 Annual General Meetings are given below:

<b>AGM No.</b>	<b>Accounting year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
19 <sup>th</sup>	2009-2010	30 <sup>th</sup> September, 2010	04.30 pm	A-Block Amrit Kalash Near Kamal & Company, Tonk Road, Jaipur
18 <sup>th</sup>	2008-2009	29 <sup>th</sup> September, 2009	11.00 am	A-Block Amrit Kalash Near Kamal & Company, Tonk

				Road, Jaipur
17 <sup>th</sup>	2007-2008	30 <sup>th</sup> June, 2008	11.00 am	A-Block Amrit Kalash Near Kamal & Company, Tonk Road, Jaipur

### **EXTRA ORDINARY GENERAL MEETING**

One Extra-Ordinary General Meeting held on 30/06/2009 during the year 2009-2010 for delisting of Company's Shares from the Jaipur Stock Exchange Limited, Jaipur; Madras Stock Exchange Limited (formerly known as Chennai Stock Exchange Limited), Chennai and The Calcutta Stock Exchange Association Limited, Kolkata in accordance with provisions of SEBI (Delisting of Securities) Guidelines, 2003.

## **VI. DISCLOSURES:**

### **SUBSIDIARY COMPANIES**

The revised Clause 49 defines a "Material Non Listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India, who's Turnover or Net Worth (Paid up Capital & Free Reserves) exceeds 20% of the Consolidated Turnover or Net worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding Accounting year.

The Company does not have any "material non listed Indian subsidiary" during the Year under review.

### **DISCLOSURES OF TRANSACTIONS WITH RELATED PARTIES**

The Company has entered into some transactions of material nature with the Promoters, the Directors or the Management or relative etc. that may have any potential conflict with the interests of the Company. However, the same were done at arms length and to further the interest of the Company. All such transactions are given in Notes on Accounts.

### **DISCLOSURES OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS**

The Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI), in preparation of its Financial Statements.

### **RISK MANAGEMENT**

Risk assessment and minimization procedure is being formulated.

### **DETAILS OF DIRECTORS' SHAREHOLDING**

Details of Directors Shareholding in the Company as on 31.03.2010 are as under

<b>Name of Director</b>	<b>No. of Equity Shares Held</b>
Mr. K. C. Bokadia	1928300
Mr. Pramod Kumar Bokadia	239000
Mr. Mahavir C. Bokadia	232100
<b>Total</b>	<b>2399400</b>

The Company does not have any scheme for grant of stock options to its Directors or Employees.

### **CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT PERSONNEL**

The Code of business Conduct and Ethics for Directors and Senior Managements has been circulated to all the Members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by Mr. K. C. Bokadia, Managing Director is given below:

“I hereby confirm that the Company has obtained from all the Members of the Board and Senior Management affirmation that they have complied with the code of Business conduct and Ethics for directors and Senior Management in respect of Financial Year 2009-2010”

K. C. Bokadia  
Managing Director

### **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

The Company has adopted Code of Prevention of Insider Trading Practices for designated Person.

### **COMPLIANCE OF REGULATORY REQUIREMENTS**

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets on the Company.

### **MEANS OF COMMUNICATION**

The Annual and quarterly results are also submitted to the Bombay Stock Exchanges.

## **VII. THE MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

## **VIII. COMPLIANCE WITH MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance except the following:

1. The Company has not laid down Risk assessment and minimization procedure.
2. The Chairman of the Audit Committee did not attend the last AGM.
3. The Company has updated the Code of Conduct for Directors and Senior Management personnel and Code of Conduct under SEBI Insider Trading Regulation.

## **IX. GENERAL SHAREHOLDER TRANSACTION**

### **ANNUAL GENERAL MEETING**

**VENUE :** Bokadia Filams Ltd. (formerly known as BMB Music & Magnetism Limited)  
A-Block Amrit Kalash  
Near Kamal & Company,  
Tonk Road, Jaipur-302015

**TIME :** 04.30 P.M.  
**DAY & DATE:** Thursday, 30<sup>th</sup> September, 2010

### **TENTATIVE FINANCIAL CALENDAR FOR THE YEAR 2010-11**

<b>Financial Reporting and Limited Review Report</b>	<b>Date of submission to Stock Exchanges latest by</b>
For the quarter ending 30 <sup>th</sup> June, 2010	On 13 <sup>th</sup> August, 2010
For the quarter/half year ending 30 <sup>th</sup> September, 2010	Upto 14 <sup>th</sup> November, 2010
For the quarter ending 31 <sup>st</sup> December, 2010	Upto 14 <sup>th</sup> February, 2011
For the quarter ended 31 <sup>st</sup> March, 2011	Upto 15 <sup>th</sup> May, 2011

### **Results (Audited)**

For the year ended March 31, 2011 By the end of September, 2011

## **X. BOOK CLOSURE:**

The Register of Members and Share Transfer Books of the Company shall remain closed from 21.09.2010 to 30.09.2010 (Both Days Inclusive)

## **XI. DIVIDEND:**

The Company has not declared any dividend.

## **XII. LISTING ON STOCK EXCHANGES:**

The Company's securities are listed on the Bombay Stock Exchange.

Scrp Code on the Bombay Stock Exchange, Mumbai : 531420

Month	BSE Price (Rs.)	
	High	Low
April, 09*	-	-
May, 09*	-	-
June, 09*	-	-
July, 09*	-	-
August 09*	-	-
September, 09*	-	-
October, 09*	-	-
November, 09*	-	-
December, 09	54.00	47.34
January, 10	45.00	28.60
February, 10	27.20	20.90
March, 10	20.85	15.15

\* The Trading in the Shares of the Company during the said period was suspended.

## **XIII. REGISTRAR AND TRANSFER AGENTS:**

M/s Adroit Corporate services Pvt. Ltd.  
19/20 Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka, Andheri (E),  
Mumbai-400059

## **XIV. SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2010:**

Category	No. of Shares	% of Shares
Promoter's Holding (including persons acting in concert)	2460200	40.60%
Non Promoter's Holding		
a) Mutual Funds & UTI	300000	4.95%
b) Banks, FIs and Insurance Company	142800	2.36%
c) FIIs	Nil	Nil
Others		
a) Bodies Corporate	915195	15.10
b) Individuals	1939105	32.00
c) NRIs/OCBs	278500	4.60
d) Others	9800	0.16
e) Director	14100	0.23

<b>TOTAL</b>	6059700	100.00 %
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### **DISTRIBUTION SCHEDULE**

<b>No. of Shares</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>Share Amount (in Rs.)</b>	<b>% to Equity</b>
Up to 500	492	73.21	1091000	1.80
501 - 1000	53	7.89	443000	0.73
1001 - 2000	37	5.51	540000	0.89
2001 - 3000	8	1.19	197000	0.33
3001 - 4000	8	1.19	287000	0.47
4001 - 5000	11	1.64	514000	0.85
5001 - 10000	17	2.53	1415000	2.34
10001 - above	46	6.85	56110000	92.60
<b>TOTAL</b>	<b>672</b>	<b>100</b>	<b>60597000</b>	<b>100</b>

### **DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members of the Company have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

Place: Mumbai

Date:

K. C. Bokadia

(MANAGING DIRECTOR AND CEO)

### **CEO / CFO CERTIFICATE**

We (1) K. C. Bokadia, CEO and Managing Director of Bokadia Films Limited (formerly Known as BMB Music & Magnetics Ltd.) appointed in terms of the Companies Act, 1956 certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2010 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are 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 we 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) We 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) there are no instances of significant fraud of which we 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.

K. C. Bokadia  
(Managing Director and CEO)

Place: Mumbai

Date:

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of:**

**Bokadia Films Limited**

**(Formerly known as BMB Music & Magnetics Ltd.)**

A-Block Amrit Kalash

Near Kamal & Company

Tonk Road, Jaipur-302015

We have examined the compliance of the condition of Corporate Governance by **BOKADIA FILMS LIMITED (formerly known as BMB MUSIC & MAGNETICS LTD.)** for the year ended 31<sup>st</sup> March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note of Certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the condition of Corporate Governance. It is neither an audit nor an expression on the Financial Statements of the Company.

In our opinion, and to the best of our information, and according to the explanation given to us, and representations made by the Directors and the Management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except the following:

1. The Company has not laid down Risk assessment and minimization procedure.
2. The Chairman of the Audit Committee did not attend the last AGM.

On the basis of the records maintained by the Company, and furnished to us and the information and the explanations given to us by the Company, we state that, there were on Investor's Grievances pending against the Company for a period exceeding one month.

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

**For S. K. Jain & Co.,  
Company Secretaries**

Place: **Mumbai**  
Date: 30/05/2010

**(S. K. Jain)**  
**Partner**

30-05-2010

TO

**AUDITORS REPORT TO THE MEMEBERS**

**THE MEMBERS OF BOKADIA FILMS LIMITED**

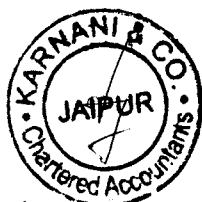
We have audited the attached **Balance Sheet** of **BOKADIA FILMS LIMITED (Formerly BMB MUSIC & MAGNETICS LTD.)** As on **31<sup>st</sup> March 2010** and **Profit & Loss Account** for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. our responsibilities is to express an opinion on these financial statements.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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.

*As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks, as we considered appropriate, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.*

In accordance with the provision of section 227 of the Companies Act, 1956, we further report as under:

- a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet and Profit & Loss account referred to in this report are in agreement with the books of accounts.




- d) In our opinion, Balance Sheet and Profit & Loss a/c dealt with by this report comply with the accounting standards referred to in sub section 3(c) of Section 211 of Companies Act, 1956 to the extent applicable except AS-28, regarding Impairment of Assets.
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us and **subject to the points mentioned in the Notes on Accounts & Auditor's observations attached to the Balance Sheet**, 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:
- i) In the case of the **Balance sheet**, of the state of affairs of the Company as at **31<sup>st</sup> March, 2010**, and,
  - ii) In the case of the **Profit & Loss A/c**, of the Loss for the year ended on that date.
  - iii) In the case of the **Cash Flow Statement**, of the **Cash Flow** for the year ended on that date.

Place: Jaipur  
Date: 30.05.2010



For KARNANI & CO.,  
Chartered Accountants

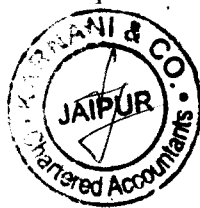
  
[P. D. Karnani, FCA]  
Partner, M.N. 054422  
FRN : 005398C

## **ANNEXURE TO AUDITOR'S REPORT**

**Accounting Year : 2009-2010**

**Report on matters to be included pursuant to order issued under section 227(4A) of the Companies Act, 1956.**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, but in case of Plant & Machinery detailed records have not been maintained.  
(b) As informed to us the management has conducted physical verification of fixed assets during the year and no material discrepancies were noticed on such verification. There is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.  
(c) In our opinion and according to information and explanation given to us, a substantial part of fixed asset has not been disposed of by the company during the previous year.
2. (a) The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The company is maintaining proper records of the inventory. The discrepancies noticed by the management on verification between the physical stocks and the book records were not material.
3. (a) The company has not granted or taken any loan, secured or unsecured to/from the companies, firms or other parties listed in the register maintained u/s 301 of Companies Act, 1956.  
(b) Rate of interest and other terms and conditions of loan taken by the company are not prima facie prejudicial to the interest of the company.  
(c) According to the explanations given to us, the company is regular in repayment of principal and interest.  
(d) No amount is overdue more than Rs. 1 lakh hence this clause is not applicable on the company.  
(e) The company has not taken any loans secured or unsecured from companies, firm or other parties covered in the register maintained under section 301 of the Act.  
(f) As the company has not taken any loan, hence the requirement of rate of interest and other terms and conditions of loans taken by the company, secured or unsecured are prejudicial to the interest of the company or not is not applicable.  
(g) Requirement of regular payment of the principal amount and interest is not applicable being no loan taken by the company.
4. In our opinion and according to the information and explanation 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 we have not observed any continuing failure to correct major weaknesses in the internal control.

5. (a) According to the information and explanation given to us, we are of the opinion that the transaction that are required to be entered into the register maintained u/s 301 of the Companies Act 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, these transactions are made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any public deposits under the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. The company is not having any internal audit system
8. Maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 has not been prescribed by the Central Government for the Company.
9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of Provident fund, Employee's state insurance dues, Investor education and protection fund, Income Tax, Sales tax, Wealth Tax, Service Tax, Custom duty, Excise duty, cess and other statutory dues have not been regularly deposited by the company during the year with the appropriate authorities in India. However following amounts of Statutory dues are outstanding in the companies books for more than a year.

EPF Payable	52912.00
Sales Tax Payable	54341.00
Surcharge on RST	85.00
TDS Payable	26290.00
VAT Payable	76840.00
<b>TOTAL</b>	<b><u>210468.00</u></b>

- (b) As per explanations given to us and the records of the company examined by us, there are no dues of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any disputes as on 31<sup>st</sup> March, 2010.
9. The company is having accumulated loss of Rs. 76.42 Lacs and the accumulated losses of the company are not more than 50 per cent of its net worth.  
  
The company has incurred cash losses during the financial year covered by our audit and not incurred any cash losses in the immediately preceding financial year.
10. The company has not defaulted in the payment of dues of bank.
11. As per the explanations given by the management, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities hence this clause is not applicable on the company.



12. Considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it.
13. The company is not dealing in or trading in shares, securities, debentures and other investments hence this clause is not applicable to the company.
14. As per information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
15. The company has not taken any term loans hence this clause is not applicable on the company.
16. According to the information and explanation given to us and on overall examination of the balance sheet of the company and as represented to us by the management, we report that the no funds raised on short term basis have been utilized for long term investments and no long term funds have been used to finance the short term assets except permanent working capital.
17. According to the information and explanation given to us, the company has not made any preferential allotment to the persons entered into the register maintained u/s 301 of the Act, so this clause is not applicable.
18. The company had not issued any debentures hence this clause is not applicable on the company.
19. No money has been raised from the public hence this clause is not applicable on the company.
20. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Jaipur  
Dated: 30.05.2010



**For KARNANI & CO.**  
*Chartered Accountants*

  
**[P. D. Karnani, FCA]**  
**Partner, M.N. 054422**

## BOKADIA FILMS LIMITED

Formerly : BMB Music & Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal & Co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

### BALANCE SHEET AS ON 31st MARCH , 2010

S.N.	Particulars	Schedules	31.03.2010	31.03.2009
I	<b>SOURCES OF FUNDS</b>			
(1)	<b>Shareholder's Funds</b>			
	a) Share Capital	I	60597000.00	59912500.00
	b) Reserves & Surplus	II	55423776.66	53598276.66
(2)	<b>Debt Funds</b>			
	a) Secured Loans	III	0.00	0.00
	b) Unsecured Loans	IV	0.00	0.00
(3)	<b>Deferred Tax Liability</b>		7702637.00	8088861.00
	<b>TOTAL</b>		<b>123723413.66</b>	<b>121599637.66</b>
II	<b>APPLICATION OF FUNDS</b>			
(1)	<b>Fixed Assets</b>	V		
	a) Gross Block		40784132.00	40784132.00
	b) Less: Depreciation		11961646.00	10024400.00
	c) Net Block		<b>28822486.00</b>	<b>30759732.00</b>
	d) Capital Work in Progress		NIL	NIL
(2)	<b>Investments</b>	VI	3000.00	3000.00
(3)	<b>Current Assets, loans &amp; advances</b>	VII		
	a) Inventories		9712714.00	10079254.00
	b) Sundry Debtors		13305974.00	17891386.00
	c) Deposit		0.00	20000.00
	d) Loans & Advances		60843733.00	59253295.00
	e) Music & Marketing Rights & Prod.Exp.		3792400.00	2000000.00
	f) Cash & Bank Balances		259714.14	303065.35
	<b>TOTAL (a to f)</b>		<b>87914535.14</b>	<b>89547000.35</b>
	<b>Less : Current Liabilities &amp; Provisions</b>	VIII		
	a) Current Liabilities		639170.00	424629.00
	b) Provisions		19925.00	32500.00
	<b>TOTAL (a + b)</b>		<b>659095.00</b>	<b>457129.00</b>
	<b>Net Current Assets</b>		<b>87255440.14</b>	<b>89089871.35</b>
(4)	a) Misc. Expenditure (To the extent not written off or adjusted)		0.00	0.00
	b) Profit & Loss a/c	IX	7642487.52	1747034.31
	<b>Notes to the Accounts</b>	XVI		
	<b>TOTAL</b>		<b>123723413.66</b>	<b>121599637.66</b>

Note: Statement of significant accounting policies and notes on accounts are forming part of Balance Sheet

Note: Schedules from S.n. I to XVI are forming part of the Balance Sheet.

For Bokadia Films Limited

As per our Audit Report of Even Date annexed

FOR KARNANI & CO.  
Chartered Accountants

M.C. Belantia

J.C. Babich

Director

Director

Secretary



P. D. Karnani, F.C.A.]  
Partner, M.N. 054422

Date: 30.05.2010

Place: JAIPUR



**B.M.B. MUSIC & MAGNETICS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; Co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

**PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31st MARCH, 2010**

S.N.	Particulars	Schedules	31.03.2010	31.03.2009
I	<b>INCOME</b>			
	a) Sales		396100.00	634900.00
	b) Increase/(Decrease in Stock)	X	(366540.00)	(216121.00)
	c) Other Income	XI	38005.00	0.00
	<b>TOTAL</b>		<b>67565.00</b>	<b>418779.00</b>
II	<b>EXPENDITURE</b>			
	a) Purchases		0.00	0.00
	b) Manufacturing Expenses	XII	0.00	0.00
	c) Payments to Employees	XIII	323830.00	111000.00
	d) Administrative Expenses	XIV	2929304.21	466312.31
	e) Finance Charges		0.00	0.00
	f) Preliminary Expenses w/off		0.00	0.00
	g) Depreciation on Fixed Assets	V	1937246.00	1937246.00
			<b>5190380.21</b>	<b>2514558.31</b>
	<b>PROFIT/(LOSS) DURING THE YEAR - FROM ORDINARY OPERATIONS</b>		<b>(5122815.21)</b>	<b>(2095779.31)</b>
	Less: Extra-Ordinary Expenses	XV	1158862.00	0.00
	<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(6281677.21)</b>	<b>-2095779.31</b>
	<b>Add:</b>			
	Opening Balance of P&L a/c		(1747034.31)	(48036723.34)
	Deferred Tax Liability reversed for Current Period		386224.00	348745.00
	Op. Balance of P & L A/c adj. with Sec. Premium		0.00	48036723.34
	<b>Less:</b>			
	Current Tax		0.00	0.00
	Deferred Tax Liability for Earlier Periods		0.00	0.00
	<b>CLOSING BALANCE IN P&amp;L A/C TAKEN TO BALANCE SHEET</b>		<b>(7642487.52)</b>	<b>(1747034.31)</b>

Note: Statement of significant accounting policies and notes on accounts are forming part of Balance Sheet

Note: Schedules from S.n. I to XVI are forming part of the Balance Sheet.

For Bokadia Films Limited

M. C. Bakadia

Director

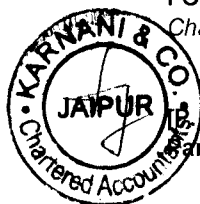
J. C. Bhatnagar

Director

Secretary

As per our Audit Report of Even Date annexed  
FOR KARNANI & CO.

Chartered Accountants

B. D. Karnani, F.C.A.]  
Partner, M.N. 054422

Date: 30.05.2010

Place: JAIPUR

# BOKADIA FILMS LTD.

Formerly : BMB Music & Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal & co., Jaipur

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2010

		[Rs. In Lacs]	
S.N.	PARTICULARS	As on 31.03.2010	As on 31.03.2009
<b>A</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Profit Before Tax	(62.82)	(20.96)
	Depreciation	19.37	19.37
	Interest	0.00	0.00
	Provision for Bad & Doubtful Debts	0.00	0.00
	Loss on Sale of Investments	0.00	0.00
	Preliminary Exp. W/off	0.00	0.00
	<b>Cash Flow before Working Capital changes</b>	<b>(43.44)</b>	<b>(1.59)</b>
	Increase / Decrease in Sundry Debtors	45.85	(1.23)
	Increase / Decrease in Inventories	3.67	2.16
	Increase / Decrease in Deposits	0.20	0.00
	Increase / Decrease in Advances	(15.90)	4.30
	(Increase) / Decrease in Other Current Assets	(17.92)	0.00
	Increase / (Decrease) in Current Liabilities & Provisions	2.02	(18.83)
	<b>Cash Generation from Operation</b>	<b>(25.53)</b>	<b>(15.19)</b>
	Interest Paid	0.00	0.00
	Direct Taxes Paid (Deferred Tax Liab (Created)/Reverse)	3.86	3.49
	Dividend Paid	0.00	0.00
	Tax on Dividend Paid	0.00	0.00
	<b>Net Cash Flow from Operating Activities</b>	<b>(21.67)</b>	<b>(11.70)</b>
<b>B</b>	<b><u>CASH FLOW FROM INVESTMENT ACTIVITIES</u></b>		
	Sale of Shares/Investments	0.00	0.00
	Purchase of Investments	0.00	0.00
	Purchase/Acquisition of Fixed Assets	0.00	0.00
	Sale of Fixed Assets	0.00	0.00
	<b>Net Cash Flow from Investment Activities</b>	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Increase/(Decrease) in Issued Capital	25.10	16.35
	Increase/(Decrease) in Secured Loans	0.00	0.00
	Increase/(Decrease) in Unsecured Loans	0.00	(0.11)
	Dividend	0.00	0.00
	Increase/(Decrease) in Deferred Tax Liability	(3.38)	(3.49)
	Interest Received	0.00	0.00
	<b>Net Cash Flow from Financing Activities</b>	<b>21.24</b>	<b>12.75</b>
	Net Increase/Decrease in Cash & Cash Equivalents	(0.43)	1.05
	Opening Balance of Cash & Cash Equivalents	3.02	1.97
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>2.59</b>	<b>3.02</b>

For and on behalf of the Board

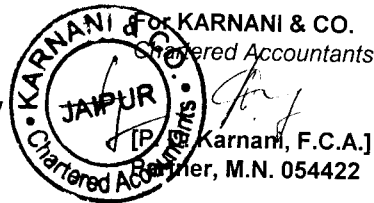
M. C. Bektarsay

Director

J. C. Babbar

Director

Secretary



Date : 30.05.2010

Place : Jaipur

**BOKADIA FILMS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; co., Jaipur

**SCHEDULES TO THE BALANCE SHEET**

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
I	<b>SHARE CAPITAL</b>		
	<b>Authorised</b> 65,00,000 Equity Shares of Rs. 10/- each	65000000.00	65000000.00
	<b>Issued, Subscribed &amp; Paid Up</b> 60,59,700 Equity Shares of Rs. 10/- each Fully Paid up including 20,00,000 equity shares of Rs. 10/- each fully paid up for consideration otherwise than in Cash.	60597000.00	
	61,57,900 Equity Shares of Rs. 10/- each Fully Paid up including 20,00,000 equity shares of Rs. 10/- each fully paid up for consideration otherwise than in Cash.		61579000.00
	<b>Less:</b> Calls in Arrears	0.00	(1666500.00)
	<b>TOTAL</b>	<b>60597000.00</b>	<b>59912500.00</b>
II	<b>RESERVES &amp; SURPLUS</b>		
	Securities Premium account	53080776.66	103572500.00
	Less: Calls in Arrears	0.00	(2395000.00)
	Less: Op. Bal. of P & L A/c Adjusted	0.00	(48036723.34)
	<b>Net Securities Premium a/c</b>	<b>53080776.66</b>	<b>53140776.66</b>
	General Reserve	457500.00	457500.00
	Share Forfeiture Reserve A/c	1885500.00	0.00
	<b>TOTAL</b>	<b>55423776.66</b>	<b>53598276.66</b>
III	<b>SECURED LOANS</b>	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

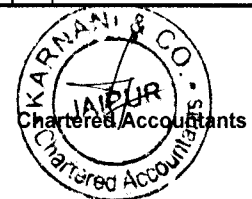
For Bokadia Films Limited

M. C. Baleshwar *J. C. Baleshwar*

Director

Director

Secretary



SCHEDULE : V

**BOKADIA FILMS LIMITED**

Formerly : BMB Music & Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal & Co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

SCHEDULE : V FIXED ASSETS

S.N.	Description	Rate of Dep.	GROSS BLOCK as on 01.04.2009	Addition during the year	GROSS BLOCK as on 31.03.2010 (4+5)	Dep. Provided up to 31.03.2009	Provided during the year	Total Dep. As on 31.03.2010 (7+8)	NET BLOCK as on 31.03.2010 (6-9)	NET BLOCK as on 31.03.2009 (4-7)
1	2	3	4	5	6	7	8	9	10	11
1	Lease Hold Land	0.00%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Factory Building	3.34%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Plant & Machinery	4.75%	40784132.00	0.00	40784132.00	10024400.00	1937246.00	11961646.00	28822486.00	30759732.00
5	Office Equipments	6.33%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Electrical Installation	4.75%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Furniture & fixtures	6.33%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>			<b>40784132.00</b>	<b>0.00</b>	<b>40784132.00</b>	<b>10024400.00</b>	<b>1937246.00</b>	<b>11961646.00</b>	<b>28822486.00</b>	<b>30759732.00</b>

For Bokadia Films Limited

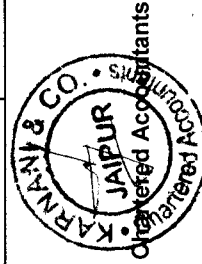
*M. C. Bafodary*

Director

*J. C. Bafodary*

Director

Secretary



## BOKADIA FILMS LTD.

Formerly : BMB Music & Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal & co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
IV	<b>UNSECURED LOANS</b>	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
VI	<b>INVESTMENTS</b>		
	NSC	3000.00	3000.00
	<b>TOTAL</b>	<b>3000.00</b>	<b>3000.00</b>
VII	<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
a)	<b>Inventory</b> [As taken valued and certified by the management]		
	Finished Goods Stock	6109268.00	6475808.00
	Negative Rights	3570000.00	3570000.00
	Audio CD Stock	33446.00	33446.00
	<b>TOTAL</b>	<b>9712714.00</b>	<b>10079254.00</b>
b)	<b>Sundry Debtors</b>		
	Akshay Mercantile Pvt Ltd.	2000000.00	2000000.00
	Adroit Corporate Servies Pvt Ltd.	2312.00	0.00
	Aarti Choudhary	0.00	300000.00
	Arihant & Co.	600000.00	600000.00
	Ashna Investments Pvt Ltd.	2250000.00	2250000.00
	Genus Overseas Electronics Ltd.	0.00	1158862.00
	Goutam Chand Bokadia	230000.00	230000.00
	Jaswant Mehta - Gunjan Audio	0.00	180000.00
	Khandelwal Polymers	0.00	313000.00
	Lakhadia Enterprises Ltd.	0.00	1700000.00
	Madhu Bafna	648235.00	648235.00
	Miya Music Cassettes	14138.00	0.00
	M. M. Bafna	804008.00	804008.00
	M. P. Bafna	823550.00	823550.00
	Pen Audio Pvt Ltd.	3992700.00	3992700.00
	Popular Entertainment Network Ltd.	1296550.00	1296550.00
	Rajendra Pahadia	0.00	950000.00
	Vishal Kumar	313675.00	313675.00
	V. Vasanta	330806.00	330806.00
	<b>TOTAL</b>	<b>13305974.00</b>	<b>17891386.00</b>

For Bokadia Films Limited

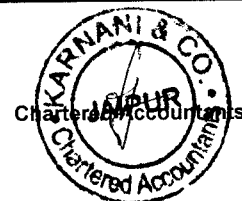
M. C. Bokadia

Director

J. C. Babbar

Director

Secretary



**BOKADIA FILMS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
c)	<b>Deposits</b>		
	Rent Security (Prakash Chand Jain)	0.00	20000.00
	<b>TOTAL</b>	<b>0.00</b>	<b>20000.00</b>
d)	<b>Loans &amp; Advances</b>		
	Artage Pvt Ltd	132600.00	132600.00
	Artage Securities Pvt Ltd	3000000.00	3000000.00
	BIFCO Pvt Ltd.	743805.00	743805.00
	BMB Pictures	6649325.00	6649325.00
	BMB Productions	9878012.00	10277574.00
	Classic Pictures	3209166.00	3209166.00
	Exxon Financial Services Ltd.	1122234.00	1122234.00
	Finolex Industries Ltd.	3459893.00	3459893.00
	Gemini Pictures	600000.00	600000.00
	Goyal Fubnacao Pvt Ltd.	2352196.00	2352196.00
	Pelicon Fabrics Ltd.	23692063.00	23692063.00
	Shriji Fincap	500000.00	500000.00
	Sofia Management & Consultancy	3138439.00	3138439.00
	Sangeeta Pictures	2366000.00	376000.00
	<b>TOTAL</b>	<b>60843733.00</b>	<b>59253295.00</b>
e)	<b>Music &amp; Marketing Rights &amp; Production Exp.</b>		
	Music Rights (Challenge)	0.00	2000000.00
	Production Exp.	3792400.00	0.00
	<b>TOTAL</b>	<b>3792400.00</b>	<b>2000000.00</b>

For Bokadia Films Limited

M. C. D. *M. C. D. D. D.*

Director

*J. C. B. B. B.*

Director

Secretary



**BOKADIA FILMS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
f)	<b>Cash &amp; Bank Balances</b>		
	Cash in Hand	97953.00	257714.00
	<b>Bank Balances</b> (With Scheduled Banks)		
	Andhra Bank (CA-119)	103745.00	644.00
	Bank of Baroda	40000.00	40000.00
	Bank of Maharashtra	14076.00	767.21
	Bank of Rajasthan A/C 0550301019594	3940.14	3940.14
	<b>TOTAL</b>	<b>259714.14</b>	<b>303065.35</b>
VIII	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
a)	<b>Sundry Creditors (Others)</b>		
	Adlabs Films Ltd.	87217.00	0.00
	Jaipur Stock Exchange Ltd.	42000.00	42000.00
	S K Jain & Co.	4182.00	0.00
	Salary Payable	93500.00	0.00
b)	<b>Sundry Creditors (For Raw Material)</b>		
	Swastic Electricity & Fertilizer	134161.00	134161.00
	<b>TOTAL</b>	<b>361060.00</b>	<b>176161.00</b>

For Bokadia Films Limited

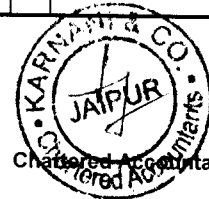
M. C. Bolecherry

Director

M. C. Bolecherry

Director

Secretary



Chartered Accountants

**BOKADIA FILMS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
c)	<b><u>Duties &amp; Taxes</u></b>		
	EPF Payable	52912.00	52912.00
	Excess Allotment Money Refundable	0.00	38000.00
	Sales Tax Payable	54341.00	54341.00
	Surcharge on RST	85.00	85.00
	TDS Payable	93932.00	26290.00
	VAT (Rajasthan) Payable	76840.00	76840.00
	<b>TOTAL</b>	<b>278110.00</b>	<b>248468.00</b>
	<b>TOTAL CURRENT LIABILITIES (a+b+c)</b>	<b>639170.00</b>	<b>424629.00</b>
d)	<b><u>Provisions</u></b>		
	Audit Fees Payable	12425.00	25000.00
	ROC Fees Payable	7500.00	7500.00
	<b>TOTAL</b>	<b>19925.00</b>	<b>32500.00</b>
IX	<b><u>PROFIT &amp; LOSS A/C</u></b>		
	Balance in Profit & Loss a/c	7642487.52	1747034.31
	<b>TOTAL</b>	<b>7642487.52</b>	<b>1747034.31</b>
X	<b><u>INCREASE/DECREASE IN STOCK</u></b>		
	Closing Stock	9712714.00	10079254.00
	Less: Opening Stock	10079254.00	10295375.00
	<b>Increase/Decrease in Stock</b>	<b>(366540.00)</b>	<b>(216121.00)</b>

For Bokadia Films Limited

M. C. Balakrishna

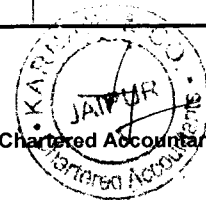
J. C. Babbar

Director

Director

Secretary

Chartered Accountants





**BOKADIA FILMS LTD.**

Formerly : BMB Music &amp; Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal &amp; co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
XI	<b><u>OTHER INCOME</u></b>		
	Sundry Balances W/Back	38005.00	0.00
	<b>TOTAL</b>	<b>38005.00</b>	<b>0.00</b>
XII	<b><u>MANUFACTURING EXP.</u></b>		
	Music Rights A/c off	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
XIV	<b><u>ADMINISTRATIVE EXP.</u></b>		
	<b>Auditors Remuneration</b>		
	a) Audit Fees	20000.00	20000.00
	b) Other Services	5000.00	5000.00
	Advertisement Exp.	9650.00	37532.00
	Bank Charges	7429.21	2316.31
	Bad Debts	2013000.00	0.00
	Consultancy Exp.	99762.00	171500.00
	D Mat Exp.	77210.00	0.00
	Electricity Exp.	5402.00	5498.00
	Legal Exp.	31406.00	7327.00
	Office Exp.	14476.00	13634.00
	Office Rent	120000.00	120000.00
	Postage & Telegram	6872.00	9100.00
	Printing & Stationery	3722.00	13655.00
	ROC Fees	7500.00	7500.00
	Stock Exchange Fees	507875.00	53250.00
	<b>TOTAL</b>	<b>2929304.21</b>	<b>466312.31</b>

For Bokadia Films Limited

M. C. Bateadary

Director

J. C. Bateadary

Director

Secretary



**BOKADIA FILMS LTD.**

Formerly : BMB Music & Magnetics Ltd.

Regd Office : A-206, Amrit Kalash, Tonk Road, Near Kamal & co., Jaipur

Accounting Year : 2009-2010

Assessment Year : 2010-2011

S.N.	SCHEDULES	As on 31.3.2010	As on 31.3.2009
XIII	<b><u>PAYMENTS TO EMPLOYEES</u></b>		
	Salary & Wages	323830.00	111000.00
	<b>TOTAL</b>	<b>323830.00</b>	<b>111000.00</b>
XV	<b><u>EXTRA-ORDINARY EXPENSES</u></b>		
	Tenancy Settlement Charges	1158862.00	0.00
	<b>TOTAL</b>	<b>1158862.00</b>	<b>0.00</b>

For Bokadia Films Limited

*M. C. Bhatnagar*

Director

*J. C. Bhatnagar*

Director

Secretary



**BOKADIA FILMS LIMITED**  
(Formerly : BMB MUSIC & MAGNETICS LTD.)  
**SCHEDULE : "XVI"**

**(ACCOUNTING YEAR : 2009-2010)**

**SIGNIFICANT ACCOUNTING POLICIES**

Accounting Policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Principles.

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

- a) The Financial Statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles and the provisions of the Companies Act, 1956 as adopted consistently.
- b) The Company follows mercantile system of Accounting and recognizes significant items of income & expenditure on accrual basis unless stated otherwise elsewhere.

**2. FIXED ASSETS**

Fixed Assets are stated at Original Cost less Depreciation.

**3. INVENTORIES**

Finished Goods, Negative Rights and Other Stock are Valued at cost.

**4. DEPRECIATION**

The Depreciation has been calculated on the Straight Line Method at the rates and in the manner prescribed in the Schedule XIV to the Companies Act, 1956.

**5. REVENUE RECOGNITION**

- i) All other expenditures are accounted on accrual basis except circumstances mentioned below in notes on accounts.
- ii) Figures of the Previous Year have been rearranged where necessary.
- iii) In the opinion of the Board of Directors of the Company the current assets and loans & advances have a value on realization in the ordinary course of the business approximately the amount at which they are stated.

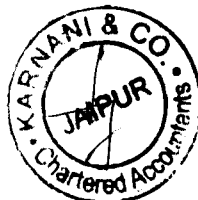
**NOTES ON ACCOUNTS & AUDITOR'S OBSERVATIONS**

**1. Share Forfeiture during the year**

During the F.Y. 2009-10, the company has forfeited 98200 shares of various shareholders from which call money has not been received. Thus the paid up Share Capital amounting to Rs. 9,82,000/- [98200 shares of Rs. 10/- each] and Share Premium A/c of Rs. 24,55,000/- [98200 shares @ 25/- each] has been transferred to Share Forfeiture Reserve account.

M. C. Borkhede

J. C. Borkhede



2. **Extra-ordinary Expenses**

During the year the company has settled its tenancy matter with Genus Overseas Ltd and as per settlement agreement the company has foregone the amount receivable from Genus Overseas Ltd. Amounting to Rs. 11,58,862/- as compensation and the same is shown as "Tenancy Settlement Charges" under extraordinary expenses head in the Profit and Loss account.

3. **Non-recognition of Loss from Fire**

During the year, due to fire incident at Sitapura Industrial Area, Jaipur, the company has suffered losses of some Plant & Machinery and Stock in trade. The company has not recognized this loss from fire amounting to Rs. 40 Lacs as estimated by the management. The management has lodged a claim of Rs. 40 lacs before RIICO, Jaipur and it is of the view that the losses will be recognized as and when the claim amount is finalized.

4. The balances of sundry debtors, sundry creditors, Loans and advances and unsecured loans accounts are subject to confirmations from these parties.

5. The bank balances are subject to reconciliation from respective banks.

6. **APPLICATION OF AS-22**

Tax expense is the aggregate of current year tax and deferred tax charged or credited to the Profit & Loss account for the year.

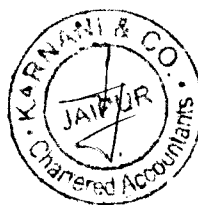
- i) Current tax is the provision made for income tax liability on the profits for the year in accordance with the applicable tax laws. In the year under audit, the provision for Current tax has not been as no income tax is payable on current year's income.
- ii) Deferred tax is recognized on timing differences, being the differences resulting from the recognition of items in the financial statements and in estimating its current income tax provisions.
- iii) Deferred tax liability is measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date.

**CALCULATION OF DEFERRED TAX FOR THE ACCOUNTING YEAR 2009-10**

**DEFERRED TAX LIABILITY**

W.D.V. as per Income Tax Act as on 1.4.2009	4582186.00
W.D.V. as per Companies Act as on 1.4.2009	30759732.00
<b>Difference</b>	<b>26177546.00</b>
<b>A Tax Effect @ 30.90% of the Difference</b>	<b>8088861.00</b>
W.D.V. as per Income Tax Act as on 31.3.2010	3894858.00
W.D.V. as per Companies Act as on 31.3.2009	28822486.00
Difference	24927628.00

M. C. Borkar  
J. C. Borkar



B Tax Effect of Timing Differences @ 30.90%	7702637.00
C Deferred Tax Liability Reversed during the year (B-A)	386224.00

The deferred tax asset for the earlier periods and for the current period has not been recognized since there is no certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### 7. EARNING PER SHARE

	Year 2009-2010 (Rs.)	Year 2008-2009 (Rs.)
Profit / Loss after Tax	(-) 5895453.21	(-) 1747034.31
Number of Equity Shares	60,59,700	61,57,900
Basic EPS	0.00	0.00
Nominal Value per Equity Share	10/-	10/-

#### 8. MANAGERIAL REMUNERATION

	Year 2008-2009 (Rs.)	Year 2008-2009 (Rs.)
Director's Remuneration	0.00	0.00

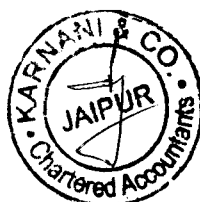
9. In absence of necessary information with the company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said act could not be compiled and disclosed.

#### 10. RELATED PARTY DISCLOSURES

In accordance with the Accounting Standard 18, the transactions with related parties have been disclosed as below.

S.N.	Name of Related Party	Volume of Transactions (Rs.)		Amount Outstanding (Rs.)		Amount w/off & w/back (Rs.)	Any other Disclosure
		Debit	Credit	Debit	Credit		
1.	BMB Productions	3,00,000/-	6,99,562/-	98,78,012/-	-	-	-
2.	BMB Pictures	-	-	66,49,325/-	-	-	-
3.	Sangeeta Pictures	26,00,000/-	6,10,000/-	23,66,000/-	-	-	-
4.	Harsh Productions	-	-	-	-	-	-
5.	BMB Combines	-	-	-	-	-	-
6.	Classic Pictures	-	-	32,09,166/-	-	-	-
7.	BMB Associates	-	-	-	-	-	-
8.	Vishal Bokadia	-	-	3,13,675/-	-	-	-
9.	Vishal Bokida (Salary)	63,000/-	-	-	-	-	-

M. C. Bhatnagar J.C. Bhatnagar



11. **NON-APPLICATION OF AS-28 "IMPAIRMENT OF ASSETS".**

The objective of AS-28 is to ensure that the assets of an organization is carried at no more than its recoverable amounts. If the carrying amount exceeds the recoverable amount, then "Loss on Impairment of Assets" needs to be recognized in the books.

The company is in possession of old plant and machinery lying at RIICO Industrial Area, Sitapura, Jaipur on which the company has not recognized "Loss on Impairment of Assets" in its financial statements as required by AS-28 issued by The Institute of Chartered Accountants of India due to non-determination of Recoverable amounts of its assets by the company.

12. **QUANTITY INFORMATION**

As the company has not taken up any production activity during the year, the quantity information is NIL.

For and on behalf of the Board

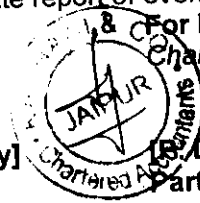
*M. C. Bhandari*

[Director]

As per our separate report of even date annexed

*J. C. Bhandari*

[Director]



For KARNANI & CO.  
Chartered Accountants

[Secretary]

*[Signature]*  
[B. D. Karnani, FCA]  
Partner, M.N. 054422

Date : 30.05.2010  
Place : Jaipur