

The
financial section



Balance Sheet

As at 31 March	Schedule		2001		Rupees 2000
SOURCES OF FUNDS					
1 Share Holders' Funds					
Share Capital	1	103,032,500		10,000,000	
Reserves & Surplus	2	337,459,270		74,417,362	
			440,491,770		84,417,362
2 Loan Funds					
Secured Loans	3	–		39,603,306	
Unsecured Loans	4	–		5,467,124	
				–	45,070,430
			440,491,770		129,487,792
APPLICATION OF FUNDS					
1 Fixed Assets					
Gross Block	5	91,939,073		15,387,688	
Less :- Depreciation		5,336,701		2,371,665	
Net Block		86,602,371		13,016,023	
Capital Work In Progress		21,181,833		–	
			107,784,204		13,016,023
2 Investments	6		93,256,591		–
3 Current Assets, Loans & Advances					
A. Inventories	7	49,710,688		25,628,040	
B. Sundry Debtors	8	137,973,165		59,699,564	
C. Cash & Bank Balances	9	19,550,164		4,212,015	
D. Loans & Advances	10	114,613,809		34,804,474	
		321,847,826		124,344,093	
Less :- Current Liabilities & Provisions					
A. Current Liabilities	11	76,968,309		35,625,996	
B. Provisions	12	46,431,272		15,400,000	
		123,399,581		51,025,996	
Net Current Assets (A) - (B)			198,448,245		73,318,097
4 Miscellaneous Expenditure (To the extent not written off or adjusted)	13		41,002,730		43,153,672
			440,491,770		129,487,792
Notes To Accounts	19				

The Schedules referred to above & notes attached thereon form an integral part of Balance Sheet.

As per our attached report of even date

For Dinesh Shah
Chartered Accountant

Dinesh Shah
(Proprietor)

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Ekta Kapoor
Creative Director

Ajay Patadia
Company Secretary

Akshay Chudasama
Director

Chandresh Gandhi
Director

Mumbai, 29th June, 2001

For & on behalf of Balaji Telefilms Limited

Profit & Loss Account

For the year ended 31 March	Schedule		2001		Rupees 2000
INCOME					
Sales			488,824,625		200,974,190
Other Income	14		7,913,565		542,496
			496,738,190		201,516,686
EXPENDITURE					
Cost of Sales	15		378,257,372		118,463,765
Employees Cost	16		8,857,998		2,755,040
Other Expenses	17		25,317,998		12,857,349
Financial Expenses	18		6,616,913		4,888,289
Depreciation	5		3,370,125		1,016,693
			422,420,406		139,981,136
PROFIT BEFORE WRITE OFFS & TAXES			74,317,784		61,535,550
Less:					
1) Deferred Revenue Expenditure Written Off			16,768,969		7,183,900
2) Provision For Tax			14,000,000		11,500,000
PROFIT AFTER TAX			43,548,815		42,851,650
Add: Balance brought forward from Previous Year			74,417,362		31,565,712
DISPOSABLE PROFITS			117,966,177		74,417,362
Less: Appropriations					
1) Capitalised for issue of Bonus Shares			65,000,000		–
2) Proposed Dividend			15,454,875		–
3) Dividend Tax			1,576,397		–
4) Transfer to General Reserve			10,000,000		–
BALANCE CARRIED TO BALANCE SHEET			25,934,905		74,417,362
Notes To Accounts	19				

The Schedules referred to above & notes attached thereon form an integral part of the Profit and Loss Account.

As per our attached report of even date

For Dinesh Shah
Chartered Accountant

Dinesh Shah
(Proprietor)

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Ekta Kapoor
Creative Director

Ajay Patadia
Company Secretary

Akshay Chudasama
Director

Chandresh Gandhi
Director

Mumbai, 29th June, 2001

For & on behalf of Balaji Telefilms Limited

Schedules forming part of Account

As at 31 March	2001	Rupees 2000
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
110,00,000 (Previous year 10,00,000) Equity share of Rs. 10/- each	110,000,000	10,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
1,03,03,250 (Previous year 10,00,000) Equity share of Rs. 10/- each [Of the above, 65,00,000 Equity Shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of balance in Profit & Loss Account]	103,032,500	10,000,000
	103,032,500	10,000,000
SCHEDULE - 2 : RESERVES & SURPLUS		
SHARE PREMIUM ACCOUNT		
Balance as at 1st April	-	-
Received during the year	336,390,000	-
	336,390,000	-
LESS: Public issue expenses	34,865,635	-
	301,524,365	-
GENERAL RESERVE		
Balance as at 1st April	-	-
ADD: Transfers From Profit & Loss Account	10,000,000	-
	10,000,000	-
PROFIT & LOSS ACCOUNT	25,934,905	74,417,362
	337,459,270	74,417,362
SCHEDULE - 3 : SECURED LOANS		
From Banks / Financing companies against security of vehicles	-	2,142,748
From Global Trust Bank Ltd.		
1) Term loan (Secured against hypothecation of fixed & current assets including receivables & personal guarantee of promoter directors)	-	12,853,464
2) Bank overdraft (Secured against hypothecation of fixed & current assets including receivables & personal guarantee of promoter directors)	-	24,607,094
	-	39,603,306
SCHEDULE - 4 : UNSECURED LOANS		
Short term borrowings	-	5,467,124
Others	-	-
	-	5,467,124

Schedules forming part of Account

As at 31 March											
SCHEDULE 5 : FIXED ASSETS											
Rupees											
Sr. No	Description of Asset	Gross Block			Depreciation			Net Block			
		As At 31.03.2000	Addition During Year	Deduction During Year	As At 31.03.2001	Upto 31.03.2000	For the Year	Deduction During Year	Upto 31.03.2001	As At 31.03.2001	As At 31.03.2000
1	Plant & Machineries	3,945,716	56,143,799	-	60,089,515	112,228	1,743,141	-	1,855,369	58,234,146	3,833,488
2	Studios & Locations	-	16,448,320	-	16,448,320	-	345,810	-	345,810	16,102,510	-
3	Vehicles	8,030,943	924,152	1,432,752	7,522,343	1,891,668	785,446	405,088	2,272,025	5,250,318	6,139,275
4	Furniture & Fixtures	1,116,650	615,058	-	1,731,708	116,991	96,433	-	213,424	1,518,284	999,659
5	Computers	1,173,916	990,330	-	2,164,246	178,417	286,738	-	465,155	1,699,091	995,499
6	Office Equipment	1,120,463	2,165,783	-	3,286,246	72,361	103,575	-	175,936	3,110,310	1,048,102
7	Electrical Fittings	-	696,695	-	696,695	-	8,982	-	8,982	687,713	-
	Total	15,387,688	77,984,137	1,432,752	91,939,073	2,371,665	3,370,125	405,088	5,336,701	86,602,371	13,016,023
8	Capital Works in Progress	-	-	-	-	-	-	-	-	21,181,833	-
	Previous Year	8,563,432	6,867,856	43,600	15,387,688	1,354,972	1,016,693	-	2,371,665	13,016,023	7,208,460

* Represents Advances Given

SCHEDULE 6 : INVESTMENTS

Sr. No.	Name of the Fund	No. of Units As At		Amount As At	
		2001	2000	2001	2000
	Unquoted in units of Mutual Funds				
1	J.M. Liquid Fund (Dividend Plan)	3,915,204	-	41,506,591	-
2	J.M. Liquid Fund (Growth Plan)	2,199,010	-	40,000,000	-
3	Prudential I.C.I.C.I. Mutual Fund (Income Plan)	1,151,961	-	11,750,000	-
		7,266,175	-	93,256,591	-

SCHEDULE - 7 : INVENTORIES

	2001	2000
SCHEDULE - 7 : INVENTORIES		
(As Valued, Certified & Physically Verified By The Management)		
Television Serials	49,415,338	25,495,477
Tapes	295,350	132,563
	49,710,688	25,628,040
SCHEDULE - 8 : SUNDRY DEBTORS (Unsecured, Considered Good)		
Outstanding Over Six Months	8,760,264	4,718,276
Other Debts	129,212,901	54,981,288
	137,973,165	59,699,564

Schedules forming part of Account

As at 31 March	2001	Rupees 2000
SCHEDULE - 9 : CASH & BANK BALANCES		
Cash In Hand	953,743	604,242
Balances With Scheduled Banks		
In Current Accounts	7,211,933	300,681
In Term Deposits*	11,384,488	3,307,092
* Includes Interest Accrued		
* Under Lien With The Bank		
	19,550,164	4,212,015
SCHEDULE - 10 : LOANS & ADVANCES (Unsecured, Considered Good)		
Advances Recoverable In Cash Or In Kind Or For Value To Be Received	4,677,876	1,946,630
Payments Towards Income Tax Deposits*	41,630,873 68,305,060	9,290,493 23,567,351
	114,613,809	34,804,474
*Includes amount given to promoters against lease of premises	61,500,000	21,900,000
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors For Goods & Services	72,202,342	34,432,461
Other Liabilities	4,765,967	1,193,535
	76,968,309	35,625,996
SCHEDULE - 12 : PROVISIONS		
Provisions For Income Tax	29,400,000	15,400,000
Proposed Dividend	15,454,875	-
Provision For Dividend Tax	1,576,397	-
	46,431,272	15,400,000

Schedules forming part of Account

As at 31 March	2001	Rupees 2000
SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Deferred Revenue Expenditure	40,976,877	43,123,004
Preliminary Expenses	25,853	30,668
	41,002,730	43,153,672
SCHEDULE - 14 : INCOME FROM OTHER SOURCES		
Interest Received On Bank F.D's	3,797,192	472,106
Dividend	3,467,871	-
Interest On Income Tax Refund	248,942	-
Excess Provision Written Back	349,560	-
Miscellaneous Receipts	50,000	70,390
	7,913,565	542,496
SCHEDULE - 15 : COST OF SALES		
Opening Stock	25,628,040	11,696,441
Add : Cost Of Production	416,962,862	161,150,567
	442,590,902	172,847,008
Less : Closing Stock	49,710,688	25,628,040
Deferred Revenue Expenditure	14,622,841	28,755,203
	378,257,372	118,463,765
SCHEDULE - 16 : EMPLOYEES COST		
Salary & Wages	7,718,389	2,186,227
Contribution towards providend fund	280,556	-
Staff Welfare	859,053	568,813
	8,857,998	2,755,040

Schedules forming part of Account

As at 31 March	2001	Rupees 2000
SCHEDULE - 17 : OTHER EXPENSES		
Electricity Charges	2,501,601	734,468
Rent	1,691,514	464,500
Rates & Taxes	298,047	169,483
Insurance	554,317	93,811
Repairs & Maintenance	751,429	627,218
Travelling & Conveyance	2,364,966	2,703,489
Legal & Professional Charges	6,960,887	2,879,095
Communication Charges	2,739,367	1,537,341
Loss on Sale of Car	424,247	–
Bank Charges	539,636	501,033
Miscellaneous Expenses	4,198,368	1,861,455
Directors Sitting Fees	27,500	–
Auditors Remuneration	157,500	15,000
Preliminary Expenses W / Off	4,815	4,815
Advertisement & Sales Promotion Expenses	1,418,597	192,554
Commissions & Incentives	685,207	1,073,087
	25,317,988	12,857,349
SCHEDULE - 18 : INTEREST		
Interest On Fixed Loans	509,842	2,795,902
Other Interests	6,107,071	2,092,387
	6,616,913	4,888,289

Schedules forming part of Account

SCHEDULE - 19 : NOTES OF THE ACCOUNTS

(A) Significant Accounting Policies

- (a) Basis of Accounting
The financial statements are prepared under the historical cost convention method and income and expenses are accounted for on accrual basis.
- (b) Investments
Investments are stated at cost.
- (c) Inventories
Inventories are valued at cost. The cost of each episode of a program is determined on the basis of average cost method.
- (d) Revenue recognition
Revenue / Income is generally accounted as follows:
 - a. In respect of sponsored programs, income is recognised in the Profit and Loss Account as and when the relevant episode of the program is telecasted.
 - b. In respect of commissioned programs, income is recognised in the Profit and Loss Account as and when the relevant episode of the program is delivered to the channel.
- (e) Cost of Programs
The Company writes off the entire cost of production of the serials produced during the year while in the case of events, only 60% of the cost of production is written off during the year and the remaining 40 per cent is treated as deferred revenue expenditure and written off in subsequent year.
- (f) Fixed Assets
 - a. Fixed assets are stated at cost and include incidental and/or installation expenses incurred in putting the asset to use.
 - b. Depreciation is provided on straight-line method in the manner laid down in schedule XIV of the Companies Act, 1956. Depreciation on additions to assets during the year is provided on a proportionate basis.
- (g) Miscellaneous Expenditure
 - a. Preliminary expenses:
It is written off over a period of 10 years in equal installments.
 - b. Deferred revenue expenditure:
 - i) In respect of serial cost, the company treats 40 per cent of the cost of production as deferred revenue expenditure and it is written off in subsequent three years equally.
 - ii) In respect of event cost, the company treats 40 per cent of the cost of production as deferred revenue expenditure and it is written off in subsequent year.
- (h) Foreign Sales
Transactions in foreign currency are recorded at the rate prevailing on the date of receipt of money.

Schedules forming part of Account

(B) Notes to the Accounts

(a) Contingent Liabilities

	2001	2000
i. Income tax demand in appeal	7,36,000	3,68,000
ii. Bank guarantees issued by bankers	77,00,000	27,50,000
	84,36,000	31,18,000

iii. The Company has received a show cause cum demand notice from the office of The Commissioner of Central Excise, Mumbai - V as regards levy of Central Excise duty at Rs.3.47 crores for failure to declare the production of recorded video cassettes to the central excise authorities. However the company has been advised that the Central Excise Act 1944 is not applicable to the company.

(b) Auditors Remuneration

	2001	2000
Audit fees	1,05,000	8,000
Tax audit fees	52,500	4,000
Other services	-	3,000
	1,57,500	15,000

(c) Directors Remuneration

a. Salaries	17,00,000	7,09,000
b. Professional fees	-	2,46,000
c. Directors Sitting Fees	27,500	-

(d) Unlike previous year, the Company has written off the entire production cost of serials in respect of which the company owns Intellectual Property Rights. As a result of which, the profit for the year is lower by Rs. 534.88 lacs.

(e) The Company has requested the suppliers to give information about the applicability of small-scale industrial undertaking definition to them as per clause (i) of section (3) of Industrial Development and Regulations Act, 1951. In absence of this information, company is unable to provide details in schedule 10 & 11 of "Current Liabilities" & "Provisions" respectively, regarding the dues to small-scale industries.

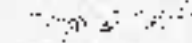
(f) Balances of Sundry debtors, Sundry creditors and Loans and Advances payable or receivable are taken as per books and subject to confirmation and reconciliation. During the year confirmation letters have been issued. However, only few confirmations have been received till date.

(g) (i) Information required under para 4(c) of part II of schedule VI of the Companies Act, 1956 to the extent applicable

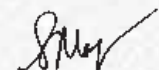
	2001	2000
i. Licensed capacity	N.A.	N.A.
ii. Installed capacity	N.A.	N.A.
iii. Actual Production	N.A.	N.A.
(ii) Earnings in Foreign Exchange Realisation of serials	18,45,791	9,28,821
(iii) Expenditure in Foreign Currency		
a. Travelling	6,21,500	6,95,000
b. Import of equipments	1,08,89,127	-
	1,15,10,627	6,95,000

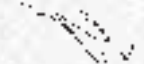
(h) Figures of previous years have been regrouped, recasted and rearranged wherever necessary.

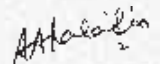
As per our attached report of even date

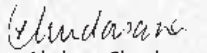
For Dinesh Shah
Chartered Accountant

Dinesh Shah
(Proprietor)

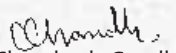

Jeetendra Kapoor
Chairman


Shobha Kapoor
Managing Director

For & on behalf of Balaji Telefilms Limited

Ekta Kapoor
Creative Director


Ajay Patadia
Company Secretary


Akshay Chudasama
Director


Chandresh Gandhi
Director

Mumbai, 29th June, 2001

Balance Sheet Abstract

Balance Sheet Abstract and Company's General Profile

I. Registration Details

Registration No. State Code No.
 Balance Sheet Date

II. Capital Raised

Public issue
 Rights Issue
 Bonus issue
 Private Placement

III. Position of Mobilisation and Deployment of Funds (Amounts in thousands of Rupees)

Total Liabilities
 Total Assets
 Sources of Funds
 Paid-up Capital
 Reserves & Surplus
 Secured Loans
 Unsecured Loans
 Application of Funds
 Net Fixed Assets
 Investments
 Net Current Assets
 Miscellaneous Expenditure
 Accumulated Losses

IV. Performance of Company (Amounts in thousands of Rupees)

Turnover
 Total Expenditure
 Profit/(Loss) before tax
 Profit/(Loss) After Tax
 Earnings per share in Rs.
 Dividend

V. Generic Name of Principal Products / Services of Company

Item Code No.
 Product / Service Description

Cash Flow Statement

For the year ended 31 March

	2001	Rupees 2000
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	743.18	615.36
Adjustments for:		
Depreciation	29.65	10.17
Interest	66.17	48.88
Interest & Dividend Income	(75.64)	(4.72)
Preliminary expenses written off	0.05	0.05
Deferred revenue expenditure	(146.23)	(287.55)
Loss on sale of fixed assets	4.24	-
SUB-TOTAL	(121.76)	(233.17)
Operating Profit before Working Capital changes	621.42	382.19
Adjustments for changes in working capital		
Sundry Debtors	(783.55)	(158.48)
Inventories	(240.83)	(139.32)
Other Loans and Advances	(474.69)	(192.34)
Sundry Creditors	413.48	30.88
SUB-TOTAL	(1,085.59)	(459.26)
Cash generated from operations	(464.17)	(77.07)
Interest paid	(66.17)	(48.88)
Income tax paid	(322.55)	(54.45)
SUB-TOTAL	(388.72)	(103.33)
NET CASH FLOW FROM OPERATING ACTIVITIES	(852.89)	(180.40)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase / Sale of Fixed Assets	(981.60)	(68.24)
Interest received	75.64	4.72
Purchase of Investments	(932.57)	-
Public issue expenditure	(348.66)	-
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,187.19)	(63.52)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceedings / Repayment of borrowings	(450.70)	117.47
Proceeds from issue of shares	280.33	-
Share premium	3,363.90	-
NET CASH FLOW FROM FINANCING ACTIVITIES	3,193.53	117.47
D) NET INC./ DEC. IN CASH & CASH EQUIVALENTS	153.45	(126.45)
Cash and cash equivalents at the beginning of year	42.12	168.57
CASH & CASH EQUIVALENTS AT THE END OF YEAR	195.57	42.12

For & on behalf of Balaji Telefilms Limited
(Signed)

Jeetendra Kapoor Shobha Kapoor Ekta Kapoor Akshay Chudasama Chandresh Gandhi Ajay Patadia
 Chairman Managing Director Creative Director Director Director Company Secretary

Mumbai, 29th June, 2001

The Board of Directors
Balaji Telefilms Limited, Mumbai

We have examined the attached Cash Flow Statement of Balaji Telefilms Limited for the year ended 31st March, 2001. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 29 June, 2001 to the Members of the Company.

DINESH SHAH, Chartered Accountant
29 June, 2001