



The  
Financial  
section

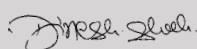
# BALANCE SHEET

(Amount in Rs)

As at 31 March	Schedule	2002	2001
<b>SOURCES OF FUNDS</b>			
<b>Share Holders' Funds</b>			
Share Capital	1	103,032,500	103,032,500
Reserves & Surplus	2	558,508,977	337,459,270
		661,541,477	440,491,770
		<b>661,541,477</b>	<b>440,491,770</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	190,351,686	91,939,073
Less :- Depreciation		15,995,682	5,336,701
Net Block		174,356,004	86,602,371
Capital Work In Progress		-	21,181,833
		174,356,004	107,784,204
<b>Investments</b>	4	243,975,243	93,256,591
<b>Current Assets, Loans &amp; Advances</b>			
A. Inventories	5	35,360,846	49,710,688
B. Sundry Debtors	6	216,039,097	137,973,165
C. Cash & Bank Balances	7	33,523,918	19,550,164
D. Loans & Advances	8	253,196,919	114,613,809
		538,120,781	321,847,826
Less :- Current Liabilities & Provisions			
A. Current Liabilities	9	82,946,258	76,968,309
B. Provisions	10	221,570,398	46,431,272
		304,516,656	123,399,581
<b>Net Current Assets ( A ) - ( B )</b>		233,604,125	198,448,245
<b>Miscellaneous Expenditure</b>	11	9,606,105	41,002,730
(To the extent not written off or adjusted)		<b>661,541,477</b>	<b>440,491,770</b>
<b>Notes To Accounts</b>	17		
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

Place : Mumbai  
Date : 24th May 2002

For & on behalf of Board of Directors




**Jeetendra Kapoor**  
Chairman



**Ajay Patadia**  
Company Secretary




**Shobha Kapoor**  
Managing Director



**Akshay Chudasama**  
Director



**Ekta Kapoor**  
Creative Director



**Chandresh Gandhi**  
Director

# PROFIT & LOSS ACCOUNT

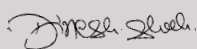
(Amount in Rs)

For the year ended 31 March	Schedule	2002	2001
<b>INCOME</b>			
Sales		1,102,951,331	488,824,625
Other Income	12	28,140,621	7,913,565
		<b>1,131,091,952</b>	<b>496,738,190</b>
<b>EXPENDITURE</b>			
Cost of Sales	13	564,435,104	378,257,372
Employees Cost	14	19,088,675	8,857,998
Other Expenses	15	59,701,729	25,317,998
Interest	16	387,486	6,616,913
Depreciation	3	10,658,982	3,370,125
		654,271,975	422,420,406
<b>Profit Before Write Offs &amp; Taxes</b>		<b>476,819,977</b>	<b>74,317,784</b>
Less: Deferred Revenue Expenditure Written Off		31,391,810	16,768,969
Provision For Income Tax		157,500,000	14,000,000
Income Tax of Prior Years		(77,392)	-
Provision For Deferred Income Tax		(2,145,858)	-
<b>Profit After Tax</b>		<b>290,151,417</b>	<b>43,548,815</b>
Less: Appropriations			
Interim Dividend		25,758,125	-
Proposed Dividend		25,758,125	15,454,875
Dividend Tax		2,627,329	1,576,397
Transfer to General Reserve		40,000,000	10,000,000
<b>Balance Carried to Balance Sheet</b>		<b>196,007,838</b>	<b>16,517,543</b>
<b>Notes To Accounts</b>	17		
The Schedules referred to above & notes attached thereon form an integral part of Profit and Loss Account.			

As per our attached report of even date

For Dinesh Shah

Chartered Accountant



Dinesh Shah

Proprietor

Place : Mumbai

Date : 24th May 2002

For & on behalf of Board of Directors



Jeetendra Kapoor

Chairman



Ajay Patadia

Company Secretary



Shobha Kapoor

Managing Director



Akshay Chudasama

Director



Ekta Kapoor

Creative Director



Chandresh Gandhi

Director

# SCHEDULE TO THE ACCOUNTS

(Amount in Rs)

As at 31 March	2002	2001
<b>1 SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
110,00,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
1,03,03,250 Equity Shares of Rs.10/- each	103,032,500	103,032,500
[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]		
	<b>103,032,500</b>	<b>103,032,500</b>
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Share Premium Account</b>		
Balance as at 1st April	301,524,365	-
Received During the Year	-	336,390,000
	301,524,365	336,390,000
Less : Public Issue Expenses	-	34,865,635
	301,524,365	301,524,365
<b>General Reserve</b>		
Balance as at 1st April	10,000,000	-
Add : Transfers from Profit & Loss Account	40,000,000	10,000,000
	50,000,000	10,000,000
<b>Profit &amp; Loss Account</b>		
Balance as at 1st April	25,934,905	74,417,362
Less : Capitalised for Issue of Bonus Shares		65,000,000
<b>Less : Provision for Deferred Tax</b>	14,958,131	-
	10,976,774	9,417,362
<b>Add : Transferred from Profit &amp; Loss Account</b>	196,007,838	16,517,543
	206,984,612	25,934,905
	<b>558,508,977</b>	<b>337,459,270</b>

# SCHEDULE TO THE ACCOUNTS

## 3 FIXED ASSETS

(Amount in Rs)

Description of Asset	Gross Block				Depreciation				Net Block	
	As at 31.03.2001	Addition During Year	Deduction During Year	As at 31.03.2002	Upto 31.03.2001	For The Year	Deduction During Year	Upto 31.03.2002	As at 31.03.2002	As at 31.03.2001
		Year	Year	Year		Year	Year			
Building	21,181,833	2,118,400	-	23,300,233		370,504		370,504	22,929,729	21,181,833
Equipment	42,917,524	18,496,297	-	61,413,821	1,855,369	3,394,465	-	5,249,835	56,163,986	41,062,155
Equipment – computer	17,171,991	5,400,129	-	22,572,120		2,866,121		2,866,121	19,705,999	17,171,991
Studios & Locations	16,448,320	33,879,301	-	50,327,621	345,810	1,948,217	-	2,294,028	48,033,593	16,102,510
Vehicles	7,522,343	8,102,359	-	15,624,702	2,272,025	1,153,785	-	3,425,810	12,198,892	5,250,318
Furniture & Fixtures	1,731,708	3,721,714	-	5,453,422	213,424	203,170	-	416,594	5,036,827	1,518,284
Computers	2,164,246	1,099,321	-	3,263,567	465,155	438,995	-	904,150	2,359,417	1,699,091
Office equipment	3,286,246	3,776,825	-	7,063,071	175,936	236,475	-	412,411	6,650,660	3,110,310
Electrical Fittings	696,695	636,435	-	1,333,130	8,982	47,248	-	56,230	1,276,900	687,713
<b>Total</b>	<b>113,120,906</b>	<b>77,230,781</b>	-	<b>190,351,686</b>	<b>5,336,701</b>	<b>10,658,982</b>	-	<b>15,995,683</b>	<b>174,356,003</b>	<b>107,784,204</b>
Previous Year	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
Capital Work in Progress (Previous Year)	-	-	-	21,181,833	-	-	-	-	21,181,833	-

# SCHEDULE TO THE ACCOUNTS

Sr. No.	No. of units as at		Amount as at		
	31.3.2002	31.3.2001	31.3.2002	31.3.2001	
<b>4 INVESTMENTS</b>					
<b>UNQUOTED</b>					
<b>IN UNITS OF MUTUAL FUNDS</b>					
<b>(VALUED AT COST)</b>					
1	J.M. Income Fund - Dividend Plan	4,490,254	3,915,204	47,368,983	41,506,591
2	J.M. Income Fund - Growth Plan - Growth Option	2,199,010	2,199,010	40,000,000	40,000,000
3	Prudential I.C.I.C.I. Income Plan - Dividend	1,314,501	1,151,961	13,416,848	11,750,000
4	Reliance Liquid Fund - Treasury Plan - Weekly Dividend Option	2,036	-	24,275	-
5	GSTD GSSIF - Short Term Plan - Dividend option	7,219	-	72,259	-
6	Prudential I.C.I.C.I. - Short term Plan - Dividend Reinvest	8,964	-	89,798	-
7	Prudential I.C.I.C.I. - Income Plan - Dividend	964,061	-	10,715,564	-
8	GCFW Grindlays Cash Fund - Weekly Dividend Option	5,436	-	54,377	-
9	Chola Freedom Income STF - Cumulative - Semi Annual Dividend	1,870,791	-	30,000,000	-
10	GSSG GSSIF - Investment Plan - Growth Option	1,975,470	-	25,365,037	-
11	Alliance - Income fund - Regular Growth	1,105,219	-	20,778,116	-
12	H.D.F.C. Income Fund - Growth	428,344	-	5,445,111	-
13	H.D.F.C. Income Fund - Growth	1,573,670	-	20,004,491	-
14	K Bond Unit Scheme 99 (Wholesale Plan) - Growth	1,084,904	-	15,132,241	-
15	DSP Merrill Lynch Bond Fund - Growth - Regular	509,166	-	9,546,863	-
16	Prudential I.C.I.C.I. - Income Plan - Growth	670,128	-	10,822,570	-
17	Prudential I.C.I.C.I. - Liquid Plan - Dividend option	13,816	-	163,285	-
		<b>18,222,989</b>	<b>7,266,175</b>	<b>248,999,818</b>	<b>93,256,591</b>
	Less : provision for diminution in value of investment			5,024,575	
		<b>18,222,989</b>	<b>7,266,175</b>	<b>243,975,243</b>	<b>93,256,591</b>
<b>MOVEMENTS DURING THE YEAR</b>					
<b>PURCHASE &amp; SOLD</b>					
<b>MUTUAL FUND UNITS</b>					
Particulars	Cost				
	Nos.	Amount			
Prudential ICICI - Income Plan - Dividend	1,050,734	11,332,382			
GSSD GSSIF - Investment Plan - Quarterly Dividend Option	2,489,209	26,738,311			
Alliance Income Fund - Regular Dividend	2,047,105	22,186,414			
Alliance Term Plan - 98 Days - 260901 - Dividend	5,000	5,000,000			
H.D.F.C. Income Fund - Dividend	521,263	5,443,220			
H.D.F.C. Income Fund - Dividend	1,915,038	20,558,435			
K Bond Unit Scheme 99 (Wholesale Plan) - Quarterly Dividend	1,490,127	15,462,173			
DSP Merrill Lynch Bond Fund - Dividend - Regular	888,907	10,000,000			
Pioneer ITI - SIP - I Plan A st - Dividend	500,000	5,000,000			
Pioneer ITI - Income Builder Account Plan A	1,484,502	20,932,213			
Pioneer ITI - Treasury Management A/C. - Weekly Dividend	11,109	15,000,000			
Pioneer ITI - Treasury Management - Weekly Dividend	58,425	67,789,742			
		225,442,890			

# SCHEDULE TO THE ACCOUNTS

(Amount in Rs)

As at 31 March	2002	2001
<b>5 INVENTORIES</b> (As valued, certified & physically verified by the management)		
Television Serials	35,007,396	49,415,338
Tapes	353,450	295,350
	<b>35,360,846</b>	<b>49,710,688</b>
<b>6 SUNDRY DEBTORS</b> (Unsecured, considered good)		
Outstanding Over Six Months	19,127,720	8,760,264
Other Debts	196,911,377	129,212,901
	<b>216,039,097</b>	<b>137,973,165</b>
<b>7 CASH &amp; BANK BALANCES</b>		
Cash on Hand	1,309,044	953,743
Balances with Scheduled Banks		
In Current Accounts	7,468,536	7,211,933
In Term Deposits*	24,746,338	11,384,488
	<b>33,523,918</b>	<b>19,550,164</b>
* Includes Interest Accrued		
* Under Lien with the bank Rs. 0.47 crores (Previous Year Rs. 1.14 Crores)		
<b>8 LOAN &amp; ADVANCES</b> (Unsecured, considered good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	8,923,508	4,677,876
Payments Towards Income Tax Deposits *	176,199,911	41,630,873
	68,073,500	68,305,060
	<b>253,196,919</b>	<b>114,613,809</b>
*: includes amount given to promoters against lease of premises	61,500,000	61,500,000
<b>9 CURRENT LIABILITIES</b>		
Sundry Creditors for Goods & Services	75,828,267	72,202,342
Other Liabilities	7,117,991	4,765,967
	<b>82,946,258</b>	<b>76,968,309</b>

# SCHEDULE TO THE ACCOUNTS

(Amount in Rs)

As at 31 March	2002	2001
<b>10 PROVISIONS</b>		
Provisions for Income Tax	183,000,000	29,400,000
Proposed Dividend	25,758,125	15,454,875
Provision for Dividend Tax	–	1,576,397
Provision for Deferred Tax	12,812,273	–
	<b>221,570,398</b>	<b>46,431,272</b>
<b>11 MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
Deferred Revenue Expenditure	9,585,067	40,976,877
Preliminary Expenses	21,038	25,853
	<b>9,606,105</b>	<b>41,002,730</b>
For the year ended March	2002	2001
<b>12 INCOME FROM OTHER SOURCES</b>		
Interest Received on Bank F.D.s (Gross) [TDS Rs.1.68 Lacs - (Previous Year - Rs.8.46 Lacs)]	998,533	3,797,192
Dividend	26,996,142	3,467,871
Interest on Income Tax Refund	–	248,942
Excess Provision Written Back	–	349,560
Miscellaneous Income	145,946	50,000
	<b>28,140,621</b>	<b>7,913,565</b>
<b>13 COST OF SALES</b>		
Opening Stock	49,710,692	25,628,040
Add : Cost of Production	550,085,258	416,962,862
	599,795,950	442,590,902
Less : Closing Stock	35,360,846	49,710,688
Deferred Revenue expenditure	–	14,622,841
	<b>564,435,104</b>	<b>378,257,372</b>
<b>14 EMPLOYEES COST</b>		
Salary, Wages & Bonus	15,554,427	7,718,389
Contribution Towards Provident Fund	699,831	280,556
Gratuity	526,830	–
Staff Welfare	2,307,587	859,053
	<b>19,088,675</b>	<b>8,857,998</b>

# SCHEDULE TO THE ACCOUNTS

(Amount in Rs)

For the year ended March	2002	2001
<b>15 OTHER EXPENSES</b>		
Electricity & Water Charges	5,499,644	2,501,601
Rent	3,895,599	1,691,514
Rates & Taxes	835,242	298,047
Insurance	5,097,117	554,317
Repairs & Maintenance		
- Building	871,447	177,466
- Plant & Machinery	898,767	315,748
- Others	1,348,173	258,215
Travelling & Conveyance	7,077,694	2,364,966
Legal & Professional Charges	5,671,029	6,960,887
Communication Charges	4,202,857	2,739,367
Loss on Sale of Assets	-	424,247
Loss on Sale of Investments	4,526,408	-
Bank Charges	746,034	539,636
Miscellaneous Expenses	9,877,661	4,198,368
Bad Debts	722,076	-
Directors Sitting Fees	80,000	27,500
Auditors Remuneration	157,500	157,500
Preliminary Expenses W/Off	4,815	4,815
Advertisement & Sales Promotion Expenses	3,105,092	1,418,597
Commissions & Incentives	60,000	685,207
	54,677,154	25,317,998
Prov. for Diminution in Value of Investment	5,024,575	-
	<b>59,701,729</b>	<b>25,317,998</b>
<b>16 INTEREST</b>		
Interest on Fixed Loans	-	509,842
Other Interests	387,486	6,107,071
	<b>387,486</b>	<b>6,616,913</b>

# SCHEDULE TO THE ACCOUNTS

## 17 NOTES TO THE ACCOUNTS

### (A) SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements are prepared under the historical cost convention method. All Income and Expenditure having a material bearing in the financial statements are recognized on accrual basis.

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities at the date of financial statement, and the reported amounts of revenue and expenses during the year.

#### (b) Investments

Investments are carried at lower of cost & quoted / fair value computed category wise. Long term Investments are stated at cost. The company provides for diminution in value of investments, other than temporary in nature, in the financial statements.

#### (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% 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% 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% of the cost of production as deferred revenue expenditure and it is written off in subsequent year.

#### (h) Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate prevailing on the date of receipt of money.

#### (i) Taxation:

Provision for taxes is made based on the current applicable tax rates. The Company provides for Deferred Tax using the liability method, based on the tax effect of timing differences resulting from the recognition of items in the financial statements & in estimating its current income tax provision.

# SCHEDULE TO THE ACCOUNTS

## 17 NOTES TO THE ACCOUNTS (Continued)

### (B) NOTES TO THE ACCOUNTS

#### (a) Contingent Liabilities

(Amount in Rs)

As at	31/03/2002	31/03/2001
1. Income Tax Demand In Appeal	7,36,000	7,36,000
2. Bank Guarantee Issued By Bankers	1,52,08,000	77,00,000

3. 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.
4. The company has applied to the office of the commissioner of Sales Tax, Mumbai to ascertain whether the company's sales are liable to tax under the Sales Tax Laws. The Matter is still pending before the Sales Tax Authority.

#### (b) Auditors' Remuneration

(Amount in Rs)

As at	31/03/2002	31/03/2001
1. Audit Fees	1,05,000	1,05,000
2. Tax Audit Fees	52,500	52,500
3. Other Services	N.A.	N.A.
	<b>1,57,500</b>	<b>1,57,500</b>

#### (c) Directors' Remuneration

As at	31/03/2002	31/03/2001
1. Salaries	42,60,000	17,00,000
2. Perquisites	52,800	N.A.
3. Commission	31,08,000	N.A.
4. Contribution to Prov. Fund	2,88,000	N.A.

Computation of Net Profit in Accordance with Section 198 Read with Section 309(5) of the Companies Act, 1956.

<b>Profit Before Taxation</b>		47,68,19,977
Add: Depreciation as per accounts	1,06,58,982	
Less: Transfer from general Reserves	NIL	1,06,58,982
		48,74,78,959
Add: Loss On Sale Of Investment		45,26,408
Managerial Remuneration		74,20,800
		49,94,26,167
Less: Depreciation As Per Companies Act, 1956		1,06,58,982
Net Profit For the Year		<b>48,87,67,185</b>
Salaries, Perquisites, Commission @ 2.00% of the above		97,75,344
Less : Salaries & Perquisites of Directors eligible for commission		43,12,800
Balance Commission		<b>54,62,544</b>
Restricted to		31,08,000

However restricted to 2% of the net profits of the company computed in the manner laid down in section 309(5) of the Companies Act, 1956 subject to a ceiling of 70% of annual salary.

# SCHEDULE TO THE ACCOUNTS

(Amount in Rs)

As at

31/03/2002

31/03/2001

## 17 NOTES TO THE ACCOUNTS (Continued)

- (d) The Company is engaged in the production / making of software, which requires various types, qualities and quantities of raw materials and inputs in different denominations. Due to the multiplicity and complexity of the items, it is not practicable to maintain the quantitative record / continuous stock register, as the process of making program software is not amenable to it. Hence quantitative details are not maintained. Physical stock is taken at the end of the year.
- (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

As at

31/03/2002

31/03/2001

1.	Licensed Capacity	N.A.	
2.	Installed Capacity		N.A.
3.	Actual Production		N.A.

### (ii) Earnings in Foreign Exchange

1.	Realisation of serials (exploitation of serials)	1,363,697	1,845,791
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### (iii) Expenditure in Foreign Currency

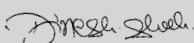
1.	Travelling	8,67,577	6,21,500
2.	Imported Equipment	N.A.	1,08,89,127
		<b>8,67,577</b>	<b>1,15,10,627</b>

- (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

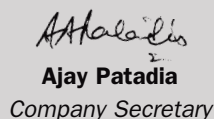
Place : Mumbai

Date : 24th May 2002

For & on behalf of the Board of Directors



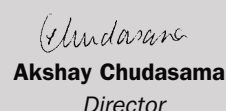
Jeetendra Kapoor  
Chairman



Ajay Patadia  
Company Secretary



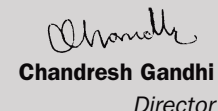
Shobha Kapoor  
Managing Director



Akshay Chudasama  
Director



Ekta Kapoor  
Creative Director



Chandresh Gandhi  
Director

# BALANCE SHEET ABSTRACT

## Balance Sheet Abstract and Company's General Profile

### I. Registration Details

Registration No.  State Code

Balance Sheet Date

### II. Capital Raised (Amounts in thousands of Rupees)

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

(Amount in Rs)

For the year ended	2001-02	2000-01
<b>A) Cash Flows from Operating Activities</b>		
<b>Net Profit Before Tax</b>	<b>4,768.20</b>	<b>743.18</b>
Adjustments for:		
Depreciation	106.59	29.65
Interest	3.87	66.17
Interest & Dividend Income	(281.41)	(75.64)
Preliminary expenses written off	0.05	0.05
Deferred revenue expenditure	–	(146.23)
Loss on sale of fixed assets	–	4.24
Loss on sale of Investment	45.26	–
<b>Sub-Total</b>	<b>(125.64)</b>	<b>(121.76)</b>
<b>Operating Profit before Working Capital changes</b>	<b>4,642.56</b>	<b>621.42</b>
Adjustments for changes in working capital		
Sundry Debtors	(780.66)	(783.55)
Inventories	143.50	(240.83)
Other Loans and Advances	(40.15)	(474.69)
Sundry Creditors	59.78	413.48
<b>Sub-Total</b>	<b>(617.53)</b>	<b>(1,085.59)</b>
<b>Cash generated from operations</b>	<b>4,025.03</b>	<b>(464.17)</b>
Interest paid	(3.87)	(66.17)
Income tax paid	(1,333.74)	(322.55)
<b>Sub-Total</b>	<b>(1,337.61)</b>	<b>(388.72)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>2,687.42</b>	<b>(852.89)</b>
<b>B) Cash Flows from Investing Activities</b>		
Purchase/Sale of Fixed Assets	(772.31)	(981.60)
Interest received	281.41	75.64
Purchase of Investments	(1,602.69)	(932.57)
Public issue expenditure	–	(348.66)
Net Cash Flow from Investing Activities	(2,093.59)	(2,187.19)
<b>C) Cash Flow from Financing Activities</b>		
Proceedings / Repayment of borrowings	–	(450.70)
Proceeds from issue of shares	–	280.33
Share premium	–	3,363.90
Dividend Paid	(412.13)	–
Dividend tax paid	(42.03)	–
<b>Net Cash Flow from Financing Activities</b>	<b>(454.16)</b>	<b>3,193.53</b>
<b>D) Net increase/decrease in Cash &amp; Cash Equivalents</b>	<b>139.67</b>	<b>153.45</b>
Cash and cash equivalents at the beginning of year	195.57	42.12
<b>Cash &amp; Cash Equivalents at the end of year</b>	<b>335.24</b>	<b>195.57</b>

For & on behalf of the Board of Directors

**Jeetendra Kapoor**  
Chairman

**Ajay Patadia**  
Company Secretary

**Shobha Kapoor**  
Managing Director

**Akshay Chudasama**  
Director

**Ekta Kapoor**  
Creative Director

**Chandresh Gandhi**  
Director

Place : Mumbai  
Date : 24th May 2002

# AUDITOR'S CERTIFICATE

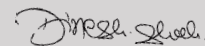
To,  
The Members,  
**Balaji Telefilms Limited,**

Dear Sirs,

We have examined the cash flow statement of Balaji Telefilms Limited for the year ended March 31st, 2002. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreements entered into 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 24th May, 2002 to the Members of the Company.

For **Dinesh Shah**  
*Chartered Accountant*

Place : Mumbai  
Date : 24th May, 2002



**Dinesh Shah**  
*Proprietor*