

The financial section

Balance Sheet

(Rupees in lacs)

As at 31 March,	Schedule		2003	2002
I. SOURCES OF FUNDS				
Shareholders funds				
Share capital	1	1,030.33		1,030.33
Reserves and surplus	2	9,614.04		5,585.08
			10,644.37	6,615.41
Total			10,644.37	6,615.41
II. APPLICATION OF FUNDS				
1 Fixed assets				
Gross block	3	3,504.07		1,903.52
Less :- depreciation		582.19		159.96
Net block			2,921.88	1,743.56
2 Investments	4		4,869.25	2,439.75
3 Current assets, loans and advances				
A. Inventories	5	469.18		353.60
B. Sundry debtors	6	3,566.97		2,160.39
C. Cash and bank balances	7	122.61		335.24
D. Loans and advances	8	929.40		914.79
		5,088.16		3,764.02
Less :- Current liabilities and provisions				
A. Current liabilities	9	1,009.76		829.46
B. Provisions	10	921.47		470.40
		1,931.23		1,299.86
Net current assets			3,156.93	2,464.16
4 Deferred tax asset/(liability)			(303.69)	(128.12)
5 Miscellaneous expenditure	11		-	96.06
(To the extent not written off or adjusted)				
Total			10,644.37	6,615.41
Significant accounting policies and notes on accounts	17			

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of Balaji Telefilms Limited

A. Siddharth
Partner

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Dhruv Kaji
Director

Place : Mumbai
Date : 22nd May, 2003

For SNEHAL & ASSOCIATES
Chartered Accountants

Snehal Shah
Proprietor

Akshay Chudasama
Director

Ajay Patadia
President Corp. Affairs
and Company Secretary

V Devarajan
Chief Financial Officer

Place : Mumbai
Date : 22nd MAY 2003

Profit and Loss Account

(Rupees in lacs)

For the year ended 31 March,	Schedule	2003	2002
INCOME			
Turnover		18,596.59	11,029.51
Other income	12	149.11	281.41
Total		18,745.70	11,310.92
EXPENDITURE			
Cost of production of television serials	13	7,931.16	5,644.35
Employee costs	14	175.77	190.89
Administrative and other expenses	15	1,060.71	597.02
Interest	16	5.89	3.87
Depreciation		424.30	106.59
Total		9,597.83	6,542.72
Profit Before Amortisation and Taxes		9,147.87	4,768.20
Deferred revenue expenditure written off		95.85	313.93
Provision for tax			
Current tax (Including Rs. 3.00 lacs for wealth tax (previous year Rs. Nil))		3,203.00	1,575.00
Deferred tax (Including Rs. 40.13 lacs for previous year)		107.58	(21.46)
Profit After Tax		5,741.44	2,900.73
Excess provision for tax of earlier years written back		-	0.77
Balance brought forward from previous year		2,069.84	259.35
Accumulated deferred tax liability as on 1.4.2001		-	(149.58)
		2,069.84	109.77
Amount Available for Appropriations		7,811.28	3,011.27
APPROPRIATIONS			
1) Interim dividend (Subject to tax deducted at source)		772.74	257.58
2) Transfer to general reserve		574.00	400.00
3) Proposed dividend		772.74	257.58
4) Corporate dividend tax		99.01	26.27
Balance Carried to Balance Sheet		5,592.79	2,069.84
Basic and diluted earnings per share		11.14	5.63
(Refer note 10 of Schedule 17)			
Significant accounting policies and notes on accounts	17		

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of Balaji Telefilms Limited

A. Siddharth
Partner

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Dhruv Kaji
Director

Place : Mumbai
Date : 22nd May, 2003

For SNEHAL & ASSOCIATES
Chartered Accountants

Snehal Shah
Proprietor

Akshay Chudasama
Director

Ajay Patadia
President Corp. Affairs
and Company Secretary

V Devarajan
Chief Financial Officer

Place : Mumbai
Date : 22nd MAY 2003

Schedules forming part of Accounts

(Rupees in lacs)

As at 31 March	2003	2002
SCHEDULE - 1 SHARE CAPITAL		
Authorised Share Capital		
5,50,00,000 (previous year 1,10,00,000) equity shares of Rs. 2/- (previous year Rs. 10/-) each	1,100.00	1,100.00
Issued, Subscribed and Paid-up Capital		
5,15,16,250 (previous year 1,03,03,250) equity shares of Rs.2/- (previous year Rs.10/-) each	1,030.33	1,030.33
Total	1,030.33	1,030.33

Notes:

- Equity Shares of Rs.10/- each have been subdivided into equity shares of Rs. 2/- each during the year.
- Of the 1,03,03,250 equity shares of Rs. 10 each before sub-division, 65,00,000 equity shares were allotted as fully paid-up bonus shares by capitalisation of the balance in Profit and Loss Account.

SCHEDULE - 2 RESERVES AND SURPLUS		
Share Premium Account		
As per last Balance Sheet	3,015.24	3,015.24
General Reserve		
As per last Balance Sheet	500.00	100.00
Short provision for accumulated deferred tax liability as on 01.04.2001	(67.99)	–
	432.01	100.00
Add: Transfer from Profit and Loss account	574.00	400.00
	1,006.01	500.00
Surplus in Profit and Loss account	5,592.79	2,069.84
Total	9,614.04	5,585.08

(Rupees in lacs)

SCHEDULE - 3 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.4.2002	Additions	Deductions	As at 31.3.2003	Upto 31.3.2002	For the year	on Deductions	Upto 31.3.2003	As at 31.3.2003	As at 31.3.2002
Building	233.00	2.75	–	235.75	3.71	3.91	–	7.62	228.13	229.29
Plant and Machinery - Computers	225.72	67.25	–	292.97	28.66	41.76	–	70.42	222.55	197.06
Plant and Machinery - Others	614.14	552.86	–	1,167.00	52.50	63.84	–	116.34	1,050.66	561.64
Studios and Sets	503.28	746.44	–	1,249.72	22.94	275.97	–	298.91	950.81	480.34
Vehicles	156.25	99.21	18.60	236.86	34.26	18.60	2.07	50.79	186.07	121.99
Furniture and Fixtures	54.53	49.64	–	104.17	4.17	7.28	–	11.45	92.72	50.36
Computers	32.64	76.67	–	109.31	9.04	8.25	–	17.29	92.02	23.60
Office Equipments	70.63	15.72	–	86.35	4.12	3.82	–	7.94	78.41	66.51
Electrical Fittings	13.33	8.61	–	21.94	0.56	0.87	–	1.43	20.51	12.77
Total	1,903.52	1,619.15	18.60	3,504.07	159.96	424.30	2.07	582.19	2,921.88	1,743.56
Previous Year	1,131.21	772.31	–	1,903.52	53.37	106.59	–	159.96	1,743.56	

Schedules forming part of Accounts

(Rupees in lacs)

SCHEDULE - 4 INVESTMENTS					
As at 31 March		2003	2002	2003	2002
Sr. No.		No. of Units	No. of Units	Amount	Amount
	Long Term Investments (Non Trade)				
	Unquoted				
	In units of Mutual Funds				
1	Alliance Income Fund - Regular Growth	2,113,390	1,105,219	407.78	207.78
2	Birla Bond Plus - Plan B	917,423	-	100.00	-
3	Freedom Income STF Cumulative - Semi Annual Dividend	-	1,870,791	-	300.00
4	DSP Merrill Lynch Bond Fund - Retail Growth	1,831,917	509,166	345.47	95.47
5	GSSIF - Investment Plan - Growth Option	2,714,126	1,975,470	353.65	253.65
6	Grindlays Cash Fund	-	5,436	-	0.55
7	Grindlays Cash Fund Plan B (Instl. Plan)	5,814,356	-	651.23	-
8	Grindlays Dynamic Bond Fund - Growth	998,177	-	102.09	-
9	GSSIF - Short Term Plan - Growth Option	897,599	7,219	105.74	0.72
10	HDFC Income Fund - Growth	428,344	428,344	54.45	54.45
11	HDFC Income Fund - Growth	1,573,670	1,573,670	200.04	200.04
12	HDFC- Short Term Plan - Growth	934,457	-	100.00	-
13	HDFC Income Fund - Growth	1,382,237	-	200.00	-
14	HDFC Fixed Income Plan - July 2002 (1) - Growth	1,500,000	-	150.00	-
15	HDFC Fixed Income Plan - June 2002 (1) - Growth	1,002,800	-	100.28	-
16	JM High Liquidity Fund - Growth Plan	3,457,344	-	577.75	-
17	JM Liquid Fund (Dividend Plan)	-	4,490,254	-	473.69
18	J.M. Liquid Fund (Growth Plan)	-	2,199,010	-	400.00
19	K Bond - Wholesale Plan - Bonus Option	1,531,030	-	161.21	-
20	K Bond - Unit Scheme 99 - Wholesale Plan - Growth	628,836	1,084,904	100.00	151.32
21	Kotak Mahindra Fixed Maturity Plan - Growth	1,500,798	-	150.08	-
22	Prudential I.C.I.C.I. Income Plan - Growth	670,128	670,128	108.23	108.23
23	Prudential I.C.I.C.I. - Income	-	964,061	-	107.16
24	Prudential I.C.I.C.I. - Liquid Plan	1,009,618	13,816	150.00	1.63
25	Prudential I.C.I.C.I. - Short Term Plan - Cumulative Option	16,217	8,964	1.73	0.90
26	Prudential I.C.I.C.I. Mutual Fund (Income Plan)	-	1,314,501	-	134.17
27	Prudential I.C.I.C.I. FMP- Growth -Yearly - VI	3,527,837	-	352.78	-
28	Reliance Income Fund (Growth Plan) - Growth Option	1,125,195	-	200.00	-
29	Reliance Liquid Fund	-	2,036	-	0.24
30	Templeton Floating Rate Income Fund - Short Term Plan - Growth	1,860,638	-	200.00	-
				4,872.51	2,490.00
	Less : Provision for diminution in the value of investments			3.26	50.25
Total				4,869.25	2,439.75

(Rupees in lacs)

Details of Investments Purchased and Sold During the Year				
Sr. No.	Particulars	Nos.	Cost	
1	Gssif - Short Term Plan - Dividend Option	43	0.00	
2	Grindlays Cash Fund-Weekly Dividend Option	55	0.01	
3	Grindlays Cash Fund - Growth Option	8,121,800	901.10	
4	Gssif- Short Term Plan - Growth Option	2,576,720	294.26	
5	HDFC Liquid Fund - Growth	876,248	100.00	
6	Kotak Fixed Maturity Plan - Growth	1,500,798	150.08	
7	K Bond Unit Scheme 99 - Wholesale Plan - Growth	710,934	100.00	
8	K Bond (Wholesale Plan) - Bonus Option	3,062,059	322.43	
9	IDBI Principal Income Fund - Short Term Plan - Growth	488,759	50.00	
10	Zurich India High Interest Fund- Short Term Fund - (G)	957,213	100.00	
11	Prudential ICICI -Liquid Plan- Dividend Option	81	0.01	
12	Prudential ICICI Short Term Plan - Dividend Reinvestment Option	27	0.00	
13	Prudential ICICI Income Plan - Growth	921,942	150.00	
14	Prudential ICICI Liquid Plan	710,288	100.00	
15	Prudential ICICI Short Term Plan - Cumulative Option	922,688	98.27	
16	J.M.Short Term Fund - Growth Plan	2,000,000	200.00	
17	J.M. High Liquidity Fund - Growth Plan	1,511,813	250.00	
Total			2,816.16	

Schedules forming part of Accounts

(Rupees in lacs)

As at 31 March	2003	2002
SCHEDULE - 5 INVENTORIES		
Television serials	448.81	350.07
Tapes	20.37	3.53
Total	469.18	353.60
SCHEDULE - 6 SUNDRY DEBTORS (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	248.88	191.28
Other debts	3,318.09	1,969.11
Total	3,566.97	2,160.39
SCHEDULE - 7 CASH AND BANK BALANCES		
Cash on hand	20.95	13.09
Balances with Scheduled Banks		
In Current accounts	48.52	74.69
In Term deposit accounts (fixed deposit receipt of Rs.53.14 lacs (Previous year Rs.247.46 lacs) over which the banks have a lien)	53.14	247.46
Total	122.61	335.24
SCHEDULE - 8 LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	90.55	89.23
Advance payment for income tax	154.73	144.82
Deposits *	684.12	680.74
Total	929.40	914.79
Notes:		
1. * Includes deposits given to directors for property taken on lease from them	515.00	515.00
2. Maximum amount outstanding at any time during the year for above deposits	515.00	515.00
SCHEDULE - 9 CURRENT LIABILITIES		
Sundry creditors		
(i) Total outstanding dues of small scale industrial undertakings	-	-
(ii) Total outstanding dues of creditors other than small scale industrial undertakings	974.68	814.40
	974.68	814.40
Advances received from customers	9.91	-
Other liabilities	25.17	15.06
Total	1,009.76	829.46
SCHEDULE - 10 PROVISIONS		
Provision for tax	49.72	212.82
Proposed dividend	772.74	257.58
Corporate dividend tax	99.01	-
Total	921.47	470.40
SCHEDULE - 11 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Deferred revenue expenditure	-	95.85
Preliminary expenses	-	0.21
Total	-	96.06

Schedules forming part of Accounts

(Rupees in lacs)

For the year ended 31 March,	2003	2002
SCHEDULE - 12 OTHER INCOME		
Interest on fixed deposits with banks (Gross)	9.91	9.99
[Tax deducted at source Rs. 1.68 lacs (previous year Rs. 1.68 lacs)]		
Dividend on long term investments (Non trade)	1.03	269.96
Excess provision of earlier years written back	22.69	–
Profit on sale of long term investments (Non trade) (Net)	62.59	–
Provision for diminution in the value of long term investments written back	50.25	–
Miscellaneous income	2.64	1.46
Total	149.11	281.41

SCHEDULE - 13 COST OF PRODUCTION OF TELEVISION SERIALS		
Opening Stock of serials and tapes	353.60	497.11
Add: Cost Of Production		
Purchase of costumes and dresses	268.79	99.10
Purchase of tapes	223.60	124.99
Payment to artists, directors, technicians and others	2,890.39	2,057.37
Telecasting fees	759.05	1,046.82
Uplinking charges	301.17	26.40
Food and refreshments	233.37	152.85
Set properties and equipments hire charges	541.11	353.70
Other production expenses	2,829.26	5,500.84
	8,046.74	1,639.61
	8,400.34	5,997.95
Less: Closing Stock of serials and tapes	469.18	353.60
Total	7,931.16	5,644.35

SCHEDULE - 14 EMPLOYEE COSTS		
Salaries, wages and bonus	138.46	155.54
Contribution towards Provident fund, Gratuity fund, etc.	8.08	12.27
Staff welfare expenses	29.23	23.08
Total	175.77	190.89

SCHEDULE - 15 ADMINISTRATIVE AND OTHER EXPENSES		
Electricity and water charges	92.98	54.99
Rent	97.71	38.96
Rates and taxes	24.61	8.35
Insurance	70.62	50.97
Repairs and maintenance		
– Building	17.58	8.71
– Plant and Machinery	22.47	8.99
– Others	45.07	13.48
Travelling and conveyance expenses	115.17	49.76
Legal and professional charges	90.76	53.17
Communication charges	35.21	36.15
Loss on sale of fixed assets (Net)	8.43	–
Loss on sale of long term investments (Net) (Non Trade)	–	45.26
Provision for diminution in value of Long term investments (Non Trade)	3.26	50.25
Donations	20.67	1.06
Bad debts written off	138.43	7.22
Directors sitting fees	0.80	0.80
Preliminary expenses written off	0.21	0.05
Advertisement and sales promotion expenses	31.71	31.04
Miscellaneous expenses (Includes printing and stationery, postage, courier, and security charges etc.)	245.02	137.81
Total	1,060.71	597.02

Schedules forming part of Accounts

(Rupees in lacs)

For the year ended 31 March,	2003	2002
SCHEDULE - 16 INTEREST		
Interest on cash credit account	5.89	3.87
	5.89	3.87

SCHEDULE - 17 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies:

Basis of accounting

The financial statements are prepared under the historical cost convention and on accrual basis.

Investments

Current investments are carried at lower of cost or fair value. Long term investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

Fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation.

Depreciation

Depreciation on fixed assets is provided on straight line basis in accordance with provisions of section 205(2)(b) of the Companies Act, 1956, at the rates and in the manner specified in schedule XIV of this Act except for the following fixed assets where higher rates of depreciation have been applied.

Studios and sets @ 33.33%

Plant and machinery - Computers @ 16.21%

Inventories

Items of inventory are valued at lower of cost and net realisable value. Cost is determined on the following basis :

Tapes : First In First Out

Television serials : Average cost

Revenue recognition

- In respect of sponsored programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast.
- In respect of commissioned programmes, revenue is recognised as and when the relevant episodes of the programmes are delivered to channels.

In all other cases, revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

Retirement Benefits

a) Provident fund

Contribution as required under the statute / rules is made to the Government Provident fund.

b) Gratuity

The trustees of Balaji Telefilms Limited Employees Group Gratuity – Cum – Life Assurance (Cash Accumulation) Scheme has taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India. Provision is made on the basis of contribution payable in respect of the aforesaid policy.

Foreign currency transactions

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realisation / payment of foreign exchange are accounted in the relevant year as income or expenses.

Doubtful debts / advances

Provision is made in the accounts for debts / advances which in the opinion of the management are considered doubtful of recovery.

Deferred revenue expenses

In respect of event cost, the Company treats 40 percent of the cost of production as deferred revenue expenditure which is written off in subsequent year.

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the

Schedules forming part of Accounts

cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Taxes on income

Tax expense comprises both current and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period and are capable of reversal in one or more subsequent periods.

Contingent liabilities

Contingent liabilities, if any, are disclosed in the notes on accounts. Provision is made in the accounts for those contingencies which are likely to materialise into liabilities after the year-end, till the approval of accounts by the Board of Directors and which have a material effect on the position stated in the Balance Sheet.

B NOTES ON ACCOUNTS

(Rupees in lacs)

	2003	2002
1. Estimated amount of contracts remaining to be executed on capital account and not provided for :	50.00	NIL
2. Contingent liabilities in respect of income tax demands disputed	5.36	7.36
3. 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.		
4. Managerial remuneration u/s 198 of the Companies Act, 1956 to Directors (including to the Managing Director)		
Salary	44.40	42.60
Commission	18.00	31.08
Perquisites in cash or in kind	0.53	0.53
Contribution to Provident Fund	2.88	2.88
Total	65.81	77.09

5. Computation of net profit in accordance with Section 198 read with Section 309 of the Companies Act, 1956.

	2003	2002
Profit before taxation	9,052.02	4,768.20
Add: Loss on sale of investments	-	45.26
Loss on sale of fixed asset	8.43	-
Provision for diminution in value of long term investment	3.26	-
Managerial remuneration	65.28	74.21
	76.97	119.47
Less: Profit on sale of investments	62.59	-
Provision for diminution in value of long term investment no longer required	50.25	-
	(35.87)	119.47
Net Profit for the year	9,016.15	4,887.67
Commission @ 2% of the above	180.32	97.75
(restricted to 2% or 75% of annual salary, whichever is lower)	18.00	31.08

6. Payment to auditors

	2003	2002
a) as auditors	6.00	1.00
b) for tax audit	-	0.50
c) as advisors or in any other capacity in respect of in any other manner (certification work, etc)	1.00	-
d) as expenses	0.01	-
e) for service tax	0.35	0.08
Total	7.36	1.58

Schedules forming part of Accounts

7. Cash Credit account with a bank is secured by hypothecation of the entire current assets, fixed assets, plant and machinery (both present and future) and library assets of the Company.

8. Related Party Disclosures

(a) Name of related parties and description of relationship.

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Relative of key management personnel
Mrs. Nirmala Sood	Relative of key management personnel
Mr. Ramesh Sippy	Relative of key management personnel
M/s Screentestindia.com Pvt.Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence.
M/s B. R. A. Corporation	

(b) Details of Transactions with related parties during the year

(Rupees in lacs)

Nature of Transactions	Enterprises over which key management personnel and their relatives are able to exercise significant influence		Key management personnel		Relative of key management personnel		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
Directors Sitting Fees	-	-	0.30	0.23	-	-	0.30	0.23
Rent (expenses)	1.80	-	13.44	13.68	2.40	2.40	17.64	16.08
Recovery and payment of artists registration fees	4.69	0.03	-	-	-	-	4.69	0.03
Managerial remuneration	-	-	65.81	77.09	-	-	65.81	77.09
Dividend paid	-	-	514.59	205.31	80.79	32.31	595.38	237.62
Outstanding personal guarantees given by Directors against cash credit facilities taken by the Company	-	-	400.00	400.00	-	-	400.00	400.00
Amount payable as at 31.03.2003	0.60	-	14.63	34.78	0.10	0.10	15.33	34.88
Amount receivable (Deposits for lease property) as at 31.03.2003			515.00	515.00	100.70	100.70	615.70	615.70

Note:

There are no provision for doubtful debts or amounts written off or written back during the year for debts due from or due to related parties.

9. Segment Information:

(A) Information about primary segments

Business Segment

The Company has considered business segment as the primary segment for disclosure. The reportable business segments are as under:

- (a) Commissioned programmes : income from sale of serials to channels
- (b) Sponsored programmes : income from telecasting of serials on channels

Schedules forming part of Accounts

(Rupees in lacs)

	Commissioned programmes		Sponsored programmes		Total	
	2003	2002	2003	2002	2003	2002
Revenue						
From external customers	16,009.37	8,622.31	2,587.22	2,407.20	18,596.59	11,029.51
Add: inter segment sales	-	-	-	-	-	-
Total revenue	16,009.37	8,622.31	2,587.22	2,407.20	18,596.59	11,029.51
Results						
Segment result	9,240.94	4,331.30	1,068.12	1,005.72	10,309.06	5,337.02
Unallocable corporate expenses					(1,371.67)	(1,063.30)
Operating profit					8,937.39	4,273.72
Interest expenses					(5.89)	(3.87)
Interest income/dividend on other investments					10.94	279.95
Profit on sale of long term investments (Non Trade)					62.59	(45.26)
Provision for diminution in the value of long term investments written back					50.25	-
Provision for diminution in value of long term investments					(3.26)	(50.25)
Income tax					(3310.58)	(1,553.54)
Net profit after tax					5,741.44	2,900.74
Other Information:						
Segment assets	4,286.48	2,321.23	923.02	870.17	5,209.50	3,191.40
Unallocated corporate assets					7,669.80	4,755.94
Total assets					12,879.30	7,947.34
Segment liabilities	817.09		167.50		984.59	814.40
Unallocated corporate liabilities					1,250.34	613.58
Total liabilities					2,234.93	1,427.98
Capital expenditure	813.69	392.79			813.69	392.79
Depreciation	317.74	48.14			317.74	48.14
Significant non cash expenses other than depreciation						
Deferred revenue expenditure written off					95.85	313.92
Loss on sale of fixed assets					8.43	-

(B) The Company does not have any reportable secondary segments.

10. Earnings per Share:

Earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as under :

(Rupees in lacs)

	2003	2002
Net profit after tax as per the Profit and Loss account	5,741.44	2,900.73
Excess provision for taxes in respect of earlier years written back	-	0.77
(A) Profit for the year attributable to equity share holders	5,741.44	2,901.50
(B) Weighted average number of equity shares outstanding during the year (Nos.)	5,15,16,250	5,15,16,250
(C) Earnings per share - Basic and diluted (Rs.)	11.14	5.63
(D) Nominal value of shares (Rs.)	2	2

Schedules forming part of Accounts

11. Components of Deferred Tax Asset/(liability)

(Rupees in lacs)

As at 31 March	2003	2002
Depreciation	(372.57)	(158.90)
Capital loss carried forward	68.88	–
Deferred revenue expenses	–	(34.22)
Public issue expenses	–	47.06
Provision for diminution in the value of investments	–	17.94
Deferred tax asset/ (liability)	(303.69)	(128.12)

12. Additional information pursuant to the provision of paragraph 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956 (to the extent applicable)

As at 31 March	2003	2002
a) Expenditure in foreign currency		
Travelling expenses	48.92	8.68
b) Earnings in foreign exchange:		
Export of television software/ serials	NIL	13.64
c) Amount remitted during the financial year in foreign currency on account of dividends; The Company has not made any remittance in foreign currencies on account of dividend and does not have information as to the extent to which remittance in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividend paid to non-resident shareholders are as under:-		
Year to which dividend relates		
a) Final dividend for the financial year 2000-2001	–	154.55
b) Interim dividend for the financial year 2001-2002	–	257.58
c) Final dividend for the financial year 2001-2002	257.58	–
d) Interim dividend for the financial year 2002-2003	772.74	–
Number of non-resident shareholders		
Year to which dividend relates		
a) Final dividend for the financial year 2000-2001	–	17
b) Interim dividend for the financial year 2001-2002	–	24
c) Final dividend for the financial year 2001-2002	31	–
d) Interim dividend for the financial year 2002-2003	52	–
Number of equity shares held by them on which dividend was due		
Year to which dividend relates		
a) Final dividend for the financial year 2000-2001	–	5,840
b) Interim dividend for the financial year 2001-2002	–	7,430
c) Final dividend for the financial year 2001-2002	9,443	–
d) Interim dividend for the financial year 2002-2003	52,148	–

Amount remitted (net of tax) to banks or powerholders in India of the non-resident shareholders

(Rupees in lacs)

Year to which dividend relates	2003	2002
a) Final dividend for the financial year 2000-2001	–	0.09
b) Interim dividend for the financial year 2001-2002	–	0.19
c) Final dividend for the financial year 2001-2002	0.19	–
d) Interim dividend for the financial year 2002-2003	0.62	–

13. Hitherto, it was the practice of the Company to provide for depreciation on Studio and Sets @ 6.66%. From the current year, the Company has decided to provide depreciation @ 33.33%. This change has the effect of increasing depreciation charge for the year by Rs. 234.59 lacs and reducing profit before tax by the like amount.

Schedules forming part of Accounts

14. Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS	
Registration No.	1 1 - 8 2 8 0 2
State Code No.	0 1 1
Balance Sheet Date	3 1 0 3 0 3 Date Month Year
II. CAPITAL RAISED (Amount in Rs. thousands)	
Public Issue	N I L
Bonus Issue	N I L
Rights Issue	N I L
Private Placement	N I L
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. thousands)	
Total Liabilities	1 2 8 7 9 3 0
Total Assets	1 2 8 7 9 3 0
Sources of Funds	
Paid-up Capital	1 0 3 0 3 3
Secured Loans	N I L
Reserves & Surplus	9 6 1 4 0 4
Unsecured Loans	N I L
Application of Funds	
Net Fixed Assets	2 9 2 1 8 8
Net Current Assets	3 1 5 6 9 3
Net of deferred tax liability	(3 0 3 6 9)
Investments	4 8 6 9 2 5
Miscellaneous Expenditure	N I L
Accumulated losses	N I L
IV. PERFORMANCE OF COMPANY (Amount in Rs. thousands)	
Turnover	1 8 5 9 6 5 9
Profit / loss before tax	9 0 5 2 0 2
Earnings per share in Rs. Refer note 10 of schedule 17	1 1 . 1 4
Final dividend rate %	7 5
Total Expenditure	9 6 9 3 6 8
Profit / loss after tax	5 7 4 1 4 4
Interim Dividend rate %	7 5
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)	
Item Code No.	Not Applicable
Product / Service Product Description	Product of Television Serials

15. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

As per our attached report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of Balaji Telefilms Limited

A. Siddharth
Partner
Place : Mumbai
Date : 22nd May, 2003

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Dhruv Kaji
Director

For SNEHAL & ASSOCIATES
Chartered Accountants

Snehal Shah
Proprietor
Place : Mumbai
Date : 22nd May, 2003

Akshay Chudasama
Director

Ajay Patadia
President Corp. Affairs
and Company Secretary

V Devarajan
Chief Financial Officer

Cash Flow Statement

(Rupees in lacs)

For the year ended 31 March,		2003	2002
A Cash flow from operating activities			
Profit before extra-ordinary item and tax	9,052.02		4,768.20
Adjustments for:			
Depreciation	424.30		106.59
Bad debts written off	138.43		-
Loss on sale of fixed assets(net)	8.43		-
Diminution in carrying value of long term investments	3.26		-
Profit on sale of long term investments (Non trade)	(62.59)		-
Loss on sale of investments	-		45.26
Provision for diminution in the value of long term investments written back (Non trade)	(50.25)		-
Excess provision written-back	(22.69)		-
Interest expenses	5.89		3.87
Interest/dividend income	(9.26)		(281.41)
Preliminary expenses written off	0.21		0.05
Deferred revenue expenditure written off	95.85		-
Operating profit before working capital changes	9,583.60		4,642.57
(Increase)/decrease in trade and other receivable	(1,549.71)		(820.81)
(Increase)/decrease in inventories	(115.58)		143.50
Increase/(decrease) in trade payables	202.99		59.78
		8,121.30	4,025.04
Direct taxes paid		(3,375.99)	(1,333.74)
Net cash from operating activities (a)		4,745.31	2,691.30
B Cash flow from investing activities			
Purchase of fixed assets	(1,619.15)		(772.31)
Sale of fixed assets	8.10		-
Purchase of investments	(5,198.68)		(1,602.69)
Sale of investments	2,878.75		-
Income from investments	9.26		281.41
Net cash (used in) investing activities (b)		(3,921.72)	(2,093.59)
C Cash flow from financing activities			
Interest paid	(5.89)		(3.87)
Dividend paid	(1,030.33)		(412.14)
Corporate dividend tax paid	-		(42.03)
Net cash (used in) financing activities (c)		(1,036.22)	(458.04)
Net increase/(decrease) in cash and cash equivalents (a+b+c)		(212.63)	139.67
Cash and cash equivalent as at 31.3.2002 (opening balance)		335.24	195.57
Cash and cash equivalents as at 31.03.2003		122.61	335.24

For and on behalf of Balaji Telefilms Limited

Jeetendra Kapoor
Chairman

Shobha Kapoor
Managing Director

Dhruv Kaji
Director

Akshay Chudasama
Director

Ajay Patadia
President Corp. Affairs
and Company Secretary

V Devarajan
Chief Financial Officer

Place : Mumbai

Date : 22nd May, 2003

Auditors Certificate

To the Board of Directors
BALAJI TELEFILMS LIMITED
Mumbai

We have examined the above cash flow statement of Balaji Telefilms Limited for the year ended 31st March, 2003. The Statement has been prepared by the Company in accordance with the requirement of the Listing Agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 22nd May, 2003 to the Members of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants

For SNEHAL & ASSOCIATES
Chartered Accountants

A. Siddharth
Partner
Mumbai

Snehal Shah
Proprietor

Dated: 22nd May, 2003