

INDIA'S ENTERTAINMENT POWERHOUSE



# BALAJI

*Balaji Telefilms Ltd.*

Annual Report 2013-14

## TELEVISION:

SCALING UP  
BY STRENGTHENING  
OUR **PROGRAMMING  
LINE-UP**

## MOVIES:

LEVERAGING ON  
**SUPERB PACKAGING,  
EFFECTIVE  
MARKETING AND  
SMART FINANCING**

EXPLORING **DIVERSE GENRES  
AND CONTENT INNOVATION**  
TO DRIVE GROWTH IN  
VIEWERSHIP

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CATERING TO MASS  
SENSIBILITIES THROUGH  
**DIFFERENTIATED  
CONTENT**

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DARING TO BE DIFFERENT  
THROUGH **SHORT-FORMAT  
SHOWS, PRODUCT  
ADVERTISEMENTS AND  
EVENTS**

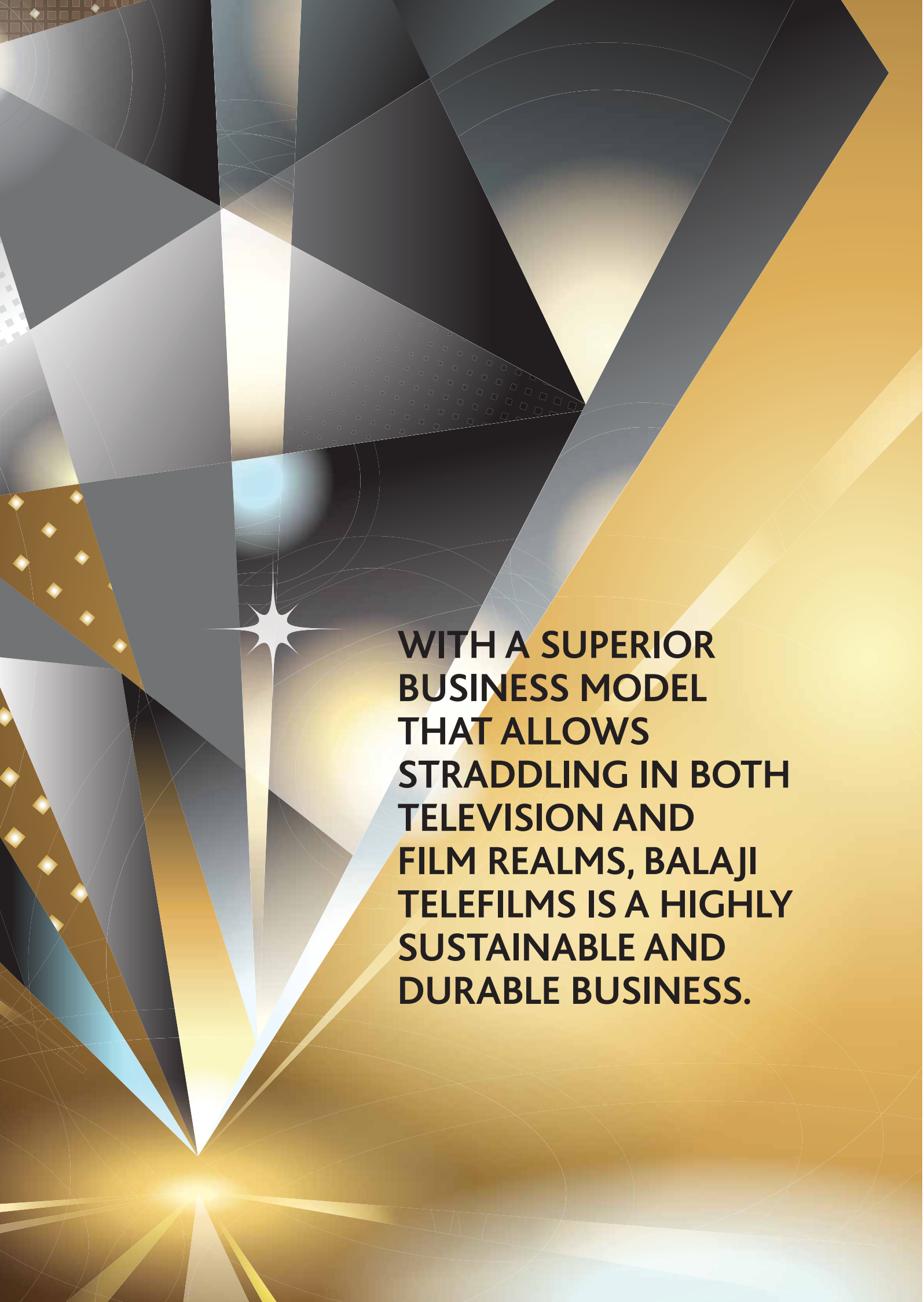
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EXPLORING **NEW AVENUES  
AND PLATFORMS TO  
OPTIMALLY MONETISE  
CONTENT**

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**DURABLE.  
DEPENDABLE.  
DESIRABLE.**



**WITH A SUPERIOR  
BUSINESS MODEL  
THAT ALLOWS  
STRADDLING IN BOTH  
TELEVISION AND  
FILM REALMS, BALAJI  
TELEFILMS IS A HIGHLY  
SUSTAINABLE AND  
DURABLE BUSINESS.**



# **D**URABLE. ✨

# **D**EPENDABLE.

# **D**ESIRABLE.

Diamonds are nothing more than carbon, but carbon in a crystal lattice that makes it the hardest known mineral in nature. Balaji Telefilms Limited too is just a clever weave of ingenuity, creativity and business acumen, that makes it a highly robust entertainment content company that few can equal. With a superior business model that allows the Company to straddle both the television and film realms, and with a leadership position in both, Balaji Telefilms is a highly sustainable and **DURABLE** business.



To start with, Diamonds were only lumps of coal that stuck at it no matter how much heat or pressure they faced millions of years ago. The end result is the creation of a rare piece of rock that is valuable and alluring forever. Since its beginning, Balaji too has stuck to its core business of producing highly differentiated and trend setting television content, to the point where it has become the undisputed industry leader. With years of learning and a forward thinking approach and planning, Balaji's Television business is today highly **DEPENDABLE**, based on a deep pipeline of programming with each GEC in the business. This bedrock business lends the Company to have a highly visible business stream that allows it the comfort of assured value creation well into the near future.

Next to a spirit of discernment, the rarest things in the world are diamonds. The deep questions we seek answers to are diamonds one holds in the light. If we study them a lifetime, we can see different colours from the same jewel. Balaji's Films business too is based on a spirit of creativity and cutting edge experimentation, radiating multiple films of varied hues, genres and audience sensibilities. Today, this business has matured to strongly place the Balaji brand in the upper echelons of the industry. As an engine fuelling its future top and bottom lines, on top of an already stable television business, the films business makes Balaji an even more **DESIRABLE** company to work for, to partner with and to own as shareholders.



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WE HAVE ETCHED OUR NAME AS ONE OF THE LEADING ENTERTAINMENT HOUSES IN INDIA AND ARE RECOGNISED AS A MATURE AND SERIOUS FILMS PRODUCTION HOUSE TO RECKON WITH.

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# THE GENESIS OF BALAJI TELEFILMS LIMITED

**WE ARE A LEADING ENTERTAINMENT CONTENT HOUSE IN INDIA AND AN INTEGRATED PLAYER IN THE MEDIA AND ENTERTAINMENT INDUSTRY.**



Over the years, we have successfully evolved from being a pure-play TV content provider, into one that consistently produces compelling content for both the small screen and the big screen. Recently, we have further strengthened our capabilities across these dual delivery platforms by embracing the super high definition and digital platforms. Today, we are successfully generating a diverse array of content that caters to the varied tastes of our viewers. We are scaling our abilities for developing a deep pipeline of a well thought-out slate. We are poised to deliver shareholder value consistently.

In the TV business, we have an undisputed leadership and a strong presence in the Hindi and regional GEC space. Leveraging the rich diversity of our audiences across India, we have demonstrated a proficient ability in producing high-quality content in Hindi, Tamil, Telugu, Kannada, Malayalam and Bengali entertainment, across multiple genres. Our deep pipeline of long and short format series of television programming gives us clear visibility into our future. This gives our business a predictable foundation of solid and profitable growth over the next few years.

In the field of motion pictures, we are on the crest of a steep learning curve. Over the last three years, we have established our credentials in producing niche, clutter-breaking, edge-of-the-seat content and commercially successful films. We make content that is spread across multiple genres and budgets. Going forward, our key learnings from last three years position us well to build a highly risk mitigated and positive cash generating film business. Today, we have etched our name as one of the top entertainment houses in India and are recognised as a mature and serious films production house to reckon with.

# VISION

TO CONSISTENTLY PROVIDE DELIGHTFUL AND INNOVATIVE ENTERTAINMENT EXPERIENCES BY ENGAGING AUDIENCES AND NURTURING TALENT



## VALUES

### STORYTELLING

WE ALWAYS DELIGHT AUDIENCES WITH OUR CONTENT AND THE WAY WE DELIVER IT TO THEM

### PASSION

WE GO THAT EXTRA MILE BECAUSE WE LOVE WHAT WE DO

### INTEGRITY

WE ARE HONEST AND ETHICAL IN ALL OUR DEALINGS

### COMPASSION

WE CARE ABOUT OUR PEOPLE, WE LISTEN, WE TAKE THE INITIATIVE TO UNDERSTAND WHAT EACH ONE OF US WANTS AND WORK TOGETHER AS A TEAM

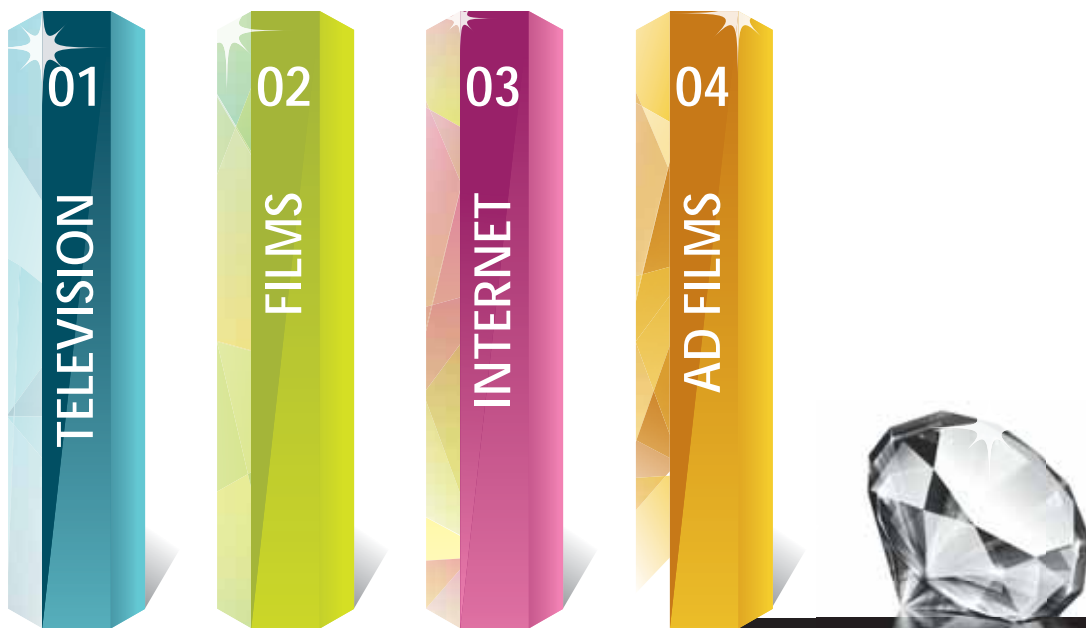
### EXCELLENCE

WE PUSH THE BAR AND NEVER SETTLE FOR SECOND-BEST



# BALAJI TELEFILMS LIMITED ...A READY RECKONER

## OUR KEY PILLARS OF STRENGTH



## OUR COMPETITIVE ADVANTAGES

- A 150 strong library of TV shows
- Creating a valuable content library in TV shows and films
- Generating diverse content to attract increased viewership
- Moving to high-revenue model of commissioned programmes
- De-risking business model through co-production
- Increasing non-theatre revenues by pre-selling music, satellite and overseas rights
- Selectively expanding films distribution network
- Leveraging multi-platform delivery of content
- Tapping innovative marketing strategies for effective monetisation
- Establishing niche market position through a healthy project pipeline in TV and Movies



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Jeetendra Kapoor, Chairman  
Mrs. Shobha Kapoor, Managing Director  
Ms. Ekta Kapoor, Joint Managing Director  
Mr. Tusshar Kapoor, Non-Executive & Non-Independent Director  
Mr. Pradeep Sarda, Independent Director  
Mr. D. G. Rajan, Independent Director  
Mr. Ashutosh Khanna, Independent Director  
Mr. D. K. Vasal, Independent Director

## GROUP CHIEF EXECUTIVE OFFICER

Mr. Sameer Nair

## CHIEF FINANCIAL OFFICER

Mr. Sanjay Dwivedi

## SENIOR MANAGEMENT TEAM

Mr. Tanuj Garg, Chief Executive Officer (Motion Pictures)  
Mr. Ketan Gupta, Chief Operating Officer (Television)  
Mr. Vaibhav Modi, Chief Executive Officer (BOLT)  
Ms. Anchal Chaudhary, Group Head – HR  
Mr. Zameer Nathani, Head- Legal  
Mr. Jay Sampat, Group Strategy Head

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Simmi Singh Bisht

## REGISTERED OFFICE

C13, Balaji House, Dalia Industrial Estate,  
Opposite Laxmi Industries,  
New Link Road, Andheri (West),  
Mumbai - 400 053.  
Tel: +91-22-4069 8000, Fax: +91-22-4069 8181/82

## STATUTORY AUDITORS

Deloitte Haskins & Sells (LLP)  
Snehal & Associates

## REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited,  
Unit: Balaji Telefilms Limited,  
Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081.  
Tel: +91-40-2342 0815-820, Fax: +91-40-2342 0814  
Email: mailmanager@karvy.com

## BANKERS

Yes Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited

## AT A GLANCE

### HOURS OF TELEVISION CONTENT

15,000

### STRONG LIBRARY OF TV SHOWS

150

### MODERN STUDIOS

23

### FILMS PRODUCED SO FAR

OVER 20

### FILMS RELEASED IN FY2014

06

### EDITING SUITES

26

### FILMS RELEASED IN FY2015

06 APPROX.

# OUR KEY STRATEGIC IMPERATIVES



## HOW WE SUSTAIN VALUE

We have established capabilities to create new and diverse storylines through our Movies and TV shows. We are swiftly ramping up our scale and delivering a diversified and balanced product mix of Movies and TV shows, leveraging every monetising opportunity that comes our way and providing stable and recurring cash flows to de-risk our business model further.





**WE HAVE SCALED OUR BUSINESS SIGNIFICANTLY, WHILE SIMULTANEOUSLY FOCUSING ON CASH CONVERSION AND EFFECTIVE COST MANAGEMENT. WITH THIS, WE REMAIN CONFIDENT OF DELIVERING CONSISTENT GROWTH IN THE YEARS TO COME.**

**DELIVERING SHAREHOLDER VALUE**



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## CHAIRMAN'S MESSAGE

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**"SUPPORTED BY A STRONG BALANCE SHEET, COMPETITIVE ADVANTAGES AND OUR CONTENT LIBRARY, WE ARE CAPITALISING SEVERAL NEW OPPORTUNITIES."**





Dear Friends,

2013-14 will be fixed in our memories as the best year in the history of Balaji Telefilms Limited. We not only established our market leadership, but also emerged as a well-established brand in the television and films space. Against the backdrop of an uncertain macro-economic environment, we demonstrated remarkable resilience and our underlying business produced a robust performance. We are proud to have built our Company based on strong fundamentals, supported by rapid structural growth in the industry. And this is our key differentiator from all our peers.

We are poised to take a lead in further consolidating our market position in the current economic climate, given our size and scale. We are building on our core competencies of content and will continue to expand into areas where we have identified a profitable niche. We continue to grow from strength to strength with a prime objective of making our audiences delighted and generating revenues for our shareholders, thereby keeping us motivated. With 200 plus channels, international and Indian programming, the small screen is one of the biggest sources of entertainment, and we are leveraging this opportunity optimally.

## EXCEL AND EXCEED

All our activities during the year had one thing in common – a desire to excel. We continued to build our content portfolio and established a strong basket of TV shows and films, with a constant emphasis on improved content, scale and mix. We built on our strengths and leveraged our competitive advantages to scale up our business significantly. Equipped by a strong balance sheet and a large

## “WE WISH TO LEVERAGE ON EMERGING TRENDS SUCH AS THE GROWING INTERNET USAGE, INCREASED BROADBAND AND AVAILABILITY OF FASTER 3G/4G NETWORKS.”

content library in film catalogue, and better distribution capabilities, we continued to capitalise on new opportunities as and when they arose. We remained committed to our strategies and focussed on premium and original programming.

## PIGGY-BACKING INDUSTRY DYNAMICS

We are riding on the back of the industry wave. The Indian Media & Entertainment (M&E) industry continued surging ahead in 2013. It recorded a healthy growth of 11.8% to touch ₹ 918 billion in 2013, despite sluggish GDP growth which impacted consumer demand and advertising spend by corporates. Growth was majorly driven by television and print media, which together accounted for 72% of the industry revenues. The television industry grew by 12.7% in 2013. Amidst a subdued operating macro-economic environment, the industry continued to benefit from increasing digitisation of media products and services.

## CHANGING SLATE

I would like to emphasise yet another defining attribute of the Indian M&E industry's future – reduced dependence on satellite, with TV channels becoming more conservative and selective in what they wish to display. The marketplace has changed considerably and there is greater acceptance of new movies and actors, reducing the dependence on top-heavy actors.

The industry will continue to benefit from India's favourable demographics. Being one of the youngest nations in the world, with high content consumption, strong content creation and favourable regulatory framework, India is an attractive investment

destination for global M&E companies. Ours is the second-largest country for TV homes with the potential to be the second-largest digital TV home country, after the United States.

## EMERGING TRENDS

This year, we are taking the next step by leveraging other emerging platforms. We wish to capitalise on emerging trends such as the growing Internet usage, increased broadband and availability of faster 3G/4G networks. We wish to trace the growth of digital distribution platforms in the Indian cable industry. We remain poised to embrace new technologies, platforms and distribution formats.

## JOURNEY AHEAD

Going forward, our size, scale and leading market position will continue to contribute to our growth. It positions us well to capitalise on the industry's expected growth. With a large slate of films and TV shows planned for FY2015 and FY2016, we expect to generate healthy cash flows. We will continue to swiftly ramp up our scale. As we go ahead, we aim to foray into the growing premium television market in India and also unlock value of our content library.

Once again, I take this opportunity to thank all our stakeholders, especially our shareholders for their continued support. We remain committed to maintain our leadership position in India's M&E industry and further capitalise on growth opportunities coming our way.

Warm regards,

Mr. Jeetendra Kapoor  
Chairman

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# MANAGING DIRECTOR'S MESSAGE

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**"OUR BUSINESS HAS MATURED TO STRONGLY PLACE THE BALAJI BRAND IN THE UPPER ECHELONS. THIS MAKES US A DURABLE, DEPENDABLE, DESIRABLE AND MORE FOCUSSED COMPANY."**

Dear Shareholders,

It gives me great pleasure to share with you the highlights of another growth-filled year. As we complete our 20<sup>th</sup> year of operations and enter our 3<sup>rd</sup> decade, there's a lot happening within Balaji. New shows, new movies, new formats – something we have never seen before. FY2014 was all about exploring new territories and venturing into newer streams of entertainment. We continue to be on a solid growth trajectory and remain poised to enter a new cycle of sustained growth.

## **DIFFERENT CHANNELS, DIFFERENT GENRES**

We are no longer just a daily soap provider. We are keen to gain visibility on each channel and across genres. During the year, we did shows for Zee, Colors, Rishtey, Channel V, Life OK, Bindaas, MTV, Doordarshan, Star Plus, and Zee's upcoming channel, among others. We wish to concentrate on quality programming and give the audience something new from the Balaji stable every few months.

We wish to create different kind of shows, which are high-concept,

season-based or short-format. A lot of fresh content is being continuously created in-house in genres as diverse as thriller, teen crime, youth, comedy, family drama, among others. For instance, with *Gumrah*, we entered into youth-based entertainment. We are focussing on lining up seasons for our top-rated shows.

## **TOP-RATED SHOWS**

Today, we can say with a sense of pride and achievement that our shows have been game-changers for TV channels. For instance, *Jodha Akbar* which debuted on Zee TV in June 2013,



emerged as the No. 2 TV show across all entertainment channels. Being the highest-rated historical drama on the small screen, the show enabled the broadcasting channel to scale up in its ranking.

## CHANGING PRIME-TIME SLOT

We take pride in setting the agenda for prime-time viewing. Being trend-setters in the television segment, we are turning around prime-time slots with our top-rated shows. A few years back, we moved prime-time slot to 10.00 pm with our Tamil TV show *Kudumbam* on Sun TV. As it emerged as the No. 1 show in Tamil Nadu, the channel scaled up programming to 7 days a week and still retained high viewership. Later, with our Hindi thriller show *Kahin Kisi Roz*, we changed prime-time to 11.30 pm. Our successful TV series *Bade Acche Lagte Hain* on Sony TV moved prime-time to 10.30 pm. And now, our new show *Ye Hai Mohabbatein* has again successfully changed prime-time back to the 11.00-11.30 band. The family drama has achieved a TRP of 3, despite being premiered as late as 11.00 pm, with repeats too pulling in healthy TRPs.

## OUR FINANCIAL PERFORMANCE

We are delighted that Balaji Telefilms is on a steady growth path, building on its core competencies. Our numbers reflect the Company's rapid growth and market leadership over the years, resulting in strong balance sheet and cash flow. As we complete two decades of operations, we continued to deliver healthy results.

Our total revenues stood ₹ 131,54 lakhs, compared to ₹ 140,85 lakhs in the previous fiscal year owing to challenging market conditions.

Annual Report 2013-14

**“WE ARE EXTREMELY CONFIDENT OF INCREASING OUR SHAREHOLDER VALUE AS WE KEEP IMPLEMENTING NEWER STRATEGIES TO DELIVER THE DESIRED RESULTS. WE AIM TO PROVIDE STABLE AND RECURRING CASH FLOWS AND DE-RISK OUR BUSINESS MODEL OPTIMALLY.”**

Profit after Tax was ₹ 10,02 lakhs, slightly lower than ₹ 13,33 lakhs in FY2013, even as reserves improved to ₹ 411,16 lakhs, higher than ₹ 404,19 lakhs in the previous year. Maintaining operational efficiencies and focussing on cost rationalisation bettered our operating margins too. Our revenue visibility gives us a good amount of predictability in our business.

## OPERATIONAL EFFICIENCY

Cost rationalisation has gained precedence within Balaji House without compromising on quality. We continue to optimally utilise our production sets, resources, manpower and editing machines. Our infrastructure is being utilised more efficiently. These cost-reduction strategies help us add to our bottom line. Production of our new TV show for Doordarshan is being done at very low costs, gaining an optimum level of efficiency.

## EFFICIENT PLANNING, BETTER EXECUTION

We conduct workshops, mock shoots and dress rehearsals prior to the start of a new show, cutting down on costs and time thereby enhancing our profitability. Efficient planning and precise execution enhances our daily output to probably one of the highest in the industry.

## CAPITALISING ON ALLIANCES

In a landmark development, we joined hands with Star Plus after a long time period. We produced *Ye Hai Mohabbatein* for Star Plus, which premiered in December 2013. We also settled our differences with Doordarshan and produced a show for them.

## TAPPING WEB OPPORTUNITIES

One of our most significant accomplishments has been our collaboration with YouTube for a web-series. Besides giving an additional platform, the strategy rakes in additional revenues from advertisers. We also have an exclusive page on Balaji Motion Pictures Limited on YouTube to showcase our movie trailers, teasers, Behind-the-Scenes, Making-of-the-Movie and bloopers. We aim to further monetise this content by providing this on other platforms, such as mobile phones.

## FUTURE SLATE AND OUTLOOK

Today, Balaji Telefilms is durable, dependable and desirable. Our dynamic business model grants us diversified revenue streams. We have a strong visibility of our films and TV slate for 2015 and 2016 which underpins a positive outlook. We expect our TV and films business to register a decent revenue upside compared with the previous fiscal years.

We envisage an exciting year ahead of us. Smart financing will continue to be our key to success. As we move ahead, we remain extremely confident of increasing our shareholder value by implementing our key business strategies. We aim towards stable and recurring cash flows and de-risk our business model optimally.

We are continuously aiming at ramping up our numbers and becoming more profit-oriented. Our constant focus is growth, sustainability and wealth-creation for our shareholders.

Best regards,

**Mrs. Shobha Kapoor**  
Managing Director



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## JOINT MANAGING DIRECTOR'S MESSAGE

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**"WE RECOGNISE  
THE POWER OF A  
GOOD IDEA. SCRIPT  
IS AN ESSENTIAL  
PART OF ALL OUR  
MOVIES AND TV  
SHOWS."**





## “MY KEY LEARNING AT HARVARD HAS BEEN THAT CREATIVITY IS AT A LOSS IF IT ISN'T CHANNELISED INTO CLEAR ECONOMICS. AT HARVARD, I LEARNT THE DIFFERENCE IN BEING A PROFESSIONAL AND AN ENTREPRENEUR.”

Dear Viewers,

2014 has been a dream year for Balaji Telefilms. TV is clearly our forte and our core competency is to create fiction and non-fiction content across various platforms in this “high-turnover high-profitability” business.

Our major milestone in this vertical has been to have become a full-fledged studio and a leading TV entertainment Company with our back-end and forward integration clearly sorted out. We have a competitive advantage of producing more content at economically lesser cost. Our volume of work helps us gain economies of scale, while providing quality entertainment.

Television is for the masses, liberating in its reach, but limiting in its creativity. To explore interesting zones and ideas, we had commenced our journey of Balaji Motion Pictures Limited (BMPL), which has been one of our best accomplishments so far. If TV is a stable revenue business for us, Films business is our emerging star. Besides a whole lot of prime-time entertainment, our movie slate has been a well-architected combination of modest-budget, high-concept Films as well as high-profile big star-cast Films.

### CONTENT IS KING

We have gained the ability to dabble different kind of content. We recognise the power of a good idea. We understand that no amount of marketing effort can pull or sustain audiences, if the content is not right. Script is an essential part of all our movies and TV shows. For us, watching a TV show or Film grow from a mere thought or an idea to being a successful one is extremely fulfilling. We want to do clutter-breaking story-telling by creating content that

pushes the envelope, and not be mere content traders. To achieve this, we do not mind taking the long-drawn path of creating a project from a scratch. We wish to create cutting-edge and commercially successful cinema. We strongly believe that content creators who stay ahead of the curve and are most alive to challenges and opportunities are the ones that will reap the benefits, going forward.

### LEVERAGING OPPORTUNITIES

We want to tap all kinds of opportunities and aim to capture the two psychologies of Indian audiences – populous and clutter-based, catering to family entertainment. Since Indian audiences are polarised, we want to ensure we do not leave any segment unturned. Anyone consuming content, whether on TV, Films, mobile, should choose Balaji – that's our aim.

### CHECKING AUDIENCES' PULSE

Small is the new big. The big screen is the small screen and the small screen is the biggest of them all. We want to remain confined to our core audience. We also believe in cross-checking audience views and mind-sets consistently. We know that attracting YouTube hits with a big star cast is easy, but the main challenge lies in managing the same with a smaller star cast. Besides good quality content, we are constantly finding different streams for commercial realisation.

### THE HARVARD EXPERIENCE

My key learning at Harvard has been that creativity is at a loss if it isn't channelised into clear economics. Cash conversion cycle is what I learnt there. At Harvard, we studied various companies in various sectors

facing different types of challenges. I learnt how these companies turned themselves around with certain trimmings. There I learnt how to turn around a TV show faster and help aid in profitability. I learnt about economics, leadership, managing talent, and also the difference in being a professional and an entrepreneur.

### HEALTHY FUTURE SLATE

We are actively getting our slate ready for 2015 and 2016 for our TV and Movies business. Besides top-rated shows on TV across different channels and genres, we are offering a platter of fun Films. Our growth drivers have been superbly-innovative ideas that appeal to mass sensibilities in TV and Films. We wish to create out-of-the-box products and experimenting with all kinds of genres such as drama, romance, thriller and horror. Our prime focus is on human stories and interpersonal relationships.

### GOING FORWARD

As technology changes, content consumption also changes. Through our movies and TV shows, we aim to constantly reinvent ourselves and deliver absorbing and market-relevant content. Our aim is to ensure efficiency and reduce fat within the organisation, so that people become more liable and can also enjoy the upsides. We aim to improve our valuation with Intellectual Property (IP) growth through Films and financial growth through TV.

We continue to be on an adrenaline rush to make a futuristic Company. Nothing can stop us from pursuing passion and being creative. And in this exciting journey, we thank you for being with us.

**Ms. Ekta Kapoor**  
Joint Managing Director

# OPERATIONAL HIGHLIGHTS

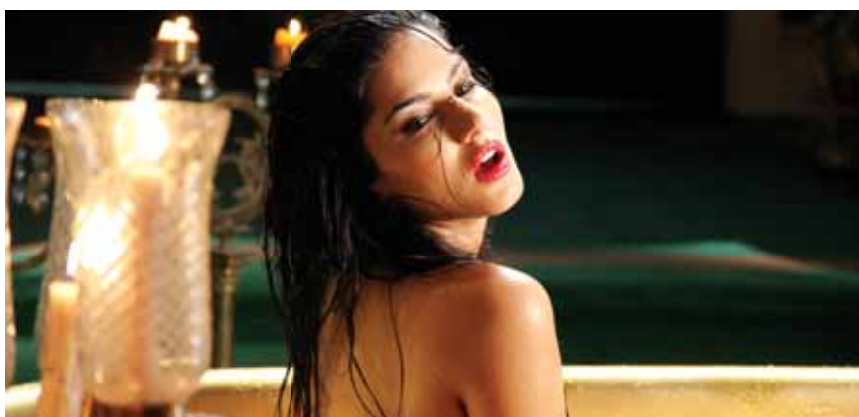


## TELEVISION

- › LAUNCHED **YE HAI MOHABBATEIN** ON STAR PLUS IN DECEMBER 2013
- › LAUNCHED **KUMKUM BHAGYA** ON ZEE TV IN APRIL 2014
- › **JODHA AKBAR** EMERGED AS THE NO.1 SHOW ON ZEE AND NO. 2 SHOW ACROSS HINDI GECs
- › **PAVITRA RISHTA, BADE ACCHE LAGTE HAIN, JODHA AKBAR, YE HAI MOHABBATEIN** AND **PAVITRA BANDHAN** EMERGED AMONG TOP 30 TV SHOWS
- › CLOCKED AVERAGE REALISATION PER HOUR OF ` 22.55 LAKHS DURING THE YEAR (EXCLUDING REGIONAL), COMPARED TO ` 21.6 LAKHS IN FY2013
- › REVENUE FROM COMMISSIONED PROGRAMMES STOOD AT ` 124,95 LAKHS, COMPARED TO ` 121,45 LAKHS IN FY2013
- › HOURS FOR HINDI COMMISSIONED PROGRAMMES – 554 HOURS, COMPARED TO 630 HOURS IN FY2013



## MOVIES



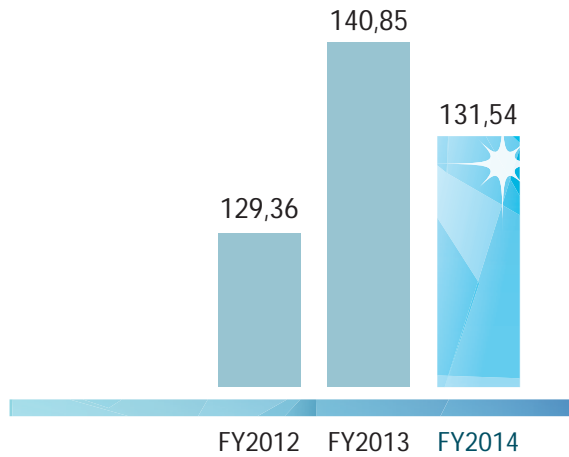
- › RELEASED **EK THI DAAYAN, SHOOTOUT AT WADALA, ONCE UPON A TIME IN MUMBAI DOBAARA, LOOTERA, SHAADI KE SIDE EFFECTS** AND **RAGINI MMS-2**
- › PRODUCED **MAIN TERA HERO, KUKU MATHUR KI JHAND HO GAYI, EK VILLAIN** AND A FEW CO-PRODUCTION MOVIES

## BOLT MEDIA

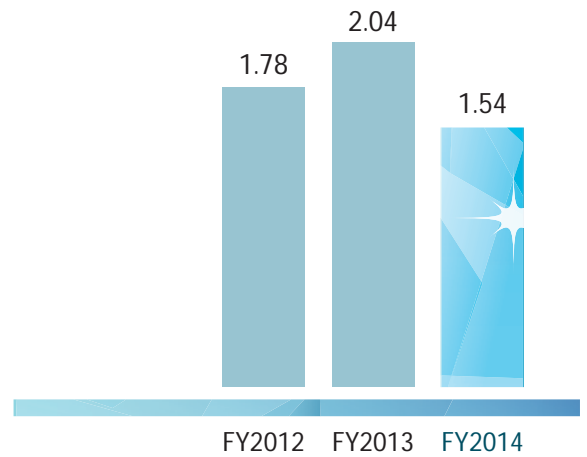
- › CREATED **DHARMA-KSHETRA** (26 SERIES COURT DRAMA) AND **RAKHT** (10 SERIES DOCUMENTARY) FOR EPIC TELEVISION NETWORKS;
- › ALSO CREATED **YE JAWAANI TARA RIRI** (78-SERIES BI-WEEKLY SHOW) FOR CHANNEL V; AND **LOVE BY CHANCE**, AN EPISODIC ROMCOM ON BINDAAS TV

# FINANCIAL HIGHLIGHTS

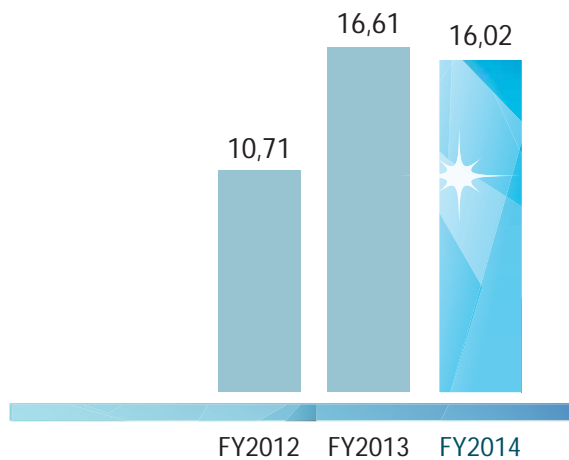
INCOME FROM OPERATIONS (₹ in lakhs)



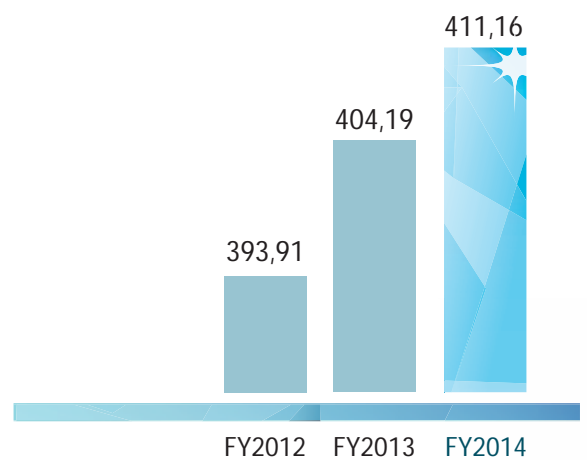
EARNINGS PER SHARE (₹)



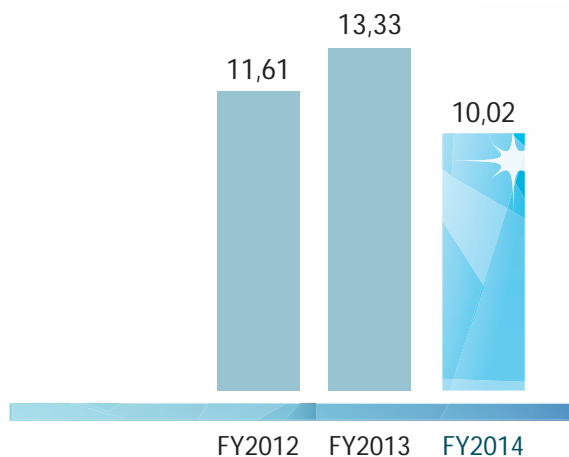
PROFIT BEFORE TAX (₹ in lakhs)



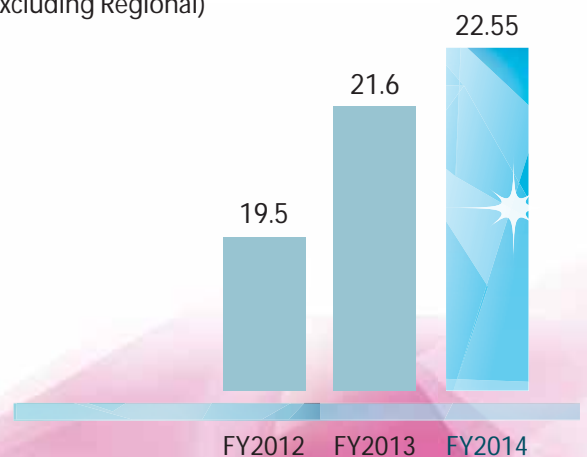
RESERVES (₹ in lakhs)



PROFIT AFTER TAX (₹ in lakhs)



REALISATION PER HOUR (₹ in lakhs)  
(Excluding Regional)



# AWARDS & ACCOLADES

## TELLY AWARDS 2013

- › **MAHESH SHETTY**  
(BADE ACCHE LAGTE HAIN): POPULAR ACTOR IN A NEGATIVE ROLE
- › **PIHU**  
(BADE ACCHE LAGTE HAIN): POPULAR CHILD ARTISTE (FEMALE)
- › **ABDUL REHMAN**  
(PAVITRA RISHTA): MAKE-UP ARTIST
- › **GUMRAH SEASON 1 & 2:** POPULAR YOUTH SHOW (NON-FICTION)
- › **RITWIK DHANANJAY**  
(PAVITRA RISHTA) POPULAR ACTOR IN SUPPORTING ROLE



## GOLD AWARDS 2013

- › **MAHESH SHETTY**  
(BADE ACCHE LAGTE HAIN): BEST NEGATIVE ACTOR MALE (POPULAR)
- › **USHA NADKARNI**  
(PAVITRA RISHTA) BEST COMIC ACTOR FEMALE (POPULAR)
- › **SAKSHI TANWAR**  
(BADE ACCHE LAGTE HAIN) BEST ACTOR FEMALE (CRITICS)
- › **COMPLETED  
1,000 EPISODES**  
(PAVITRA RISHTA) SPECIAL GOLDEN TROPHIE AWARD







LEADERSHIP IS NOT ABOUT EXCEEDING STANDARDS SET BY COMPETITION, BUT SURPASSING OUR OWN LIMITS. WE HAVE CREATED A TRAIL OF STERLING GROWTH – FROM BEING A PURE CONTENT PROVIDER TO ACQUIRING A LEADERSHIP POSITION IN INDIA'S MEDIA SECTOR. OUR AWARDS SHOWCASE THESE CAPABILITIES.



# BOARD OF DIRECTORS





## 1. JEETENDRA KAPOOR

### *Chairman*

Jeetendra Kapoor is a popular movie star throughout the 1970s and 1980s and has starred in more than 200 films in his 45-year film career. He has won a number of awards including the Filmfare Lifetime Achievement Award, the Legends of Cinema Award and the Dadasaheb Phalke Academy Award. His extensive relationship in the Indian entertainment industry proved to be extremely beneficial for the Company in its formative years and he continues to open new frontiers for the Company.

## 2. SHOBHA KAPOOR

### *Managing Director*

Shobha Kapoor has been extremely instrumental in transforming the Company from its small beginnings in 1994 to India's largest TV content company. Since inception, Mrs. Kapoor has been hands on in the Company's operational management and efficiency and in controlling 'on set' activity. She works closely with Business Heads helping them discharge their responsibilities. Her stellar work in building the Balaji brand made her win several awards including CEO of the Year (Indian Telly Awards), Businesswoman of the Year (The Economic Times) and numerous Best Producer awards for their TV shows.

## 3. EKTA KAPOOR

### *Joint Managing Director*

Ekta Kapoor is credited with the revamping of India's television landscape. She pioneered an entire genre of television content, heralding India's satellite television boom. Balaji's shows have been channel drivers for most broadcasters. As the creative force behind the Company's success, she believes in a hands-on approach in day-to-day creative direction of each TV show and film. Routinely putting in 16-18 hours each day, she moves ahead with India's rapidly metamorphosing TV climate. She

has expanded her unmatched creative vision to motion pictures and new media verticals.

Under her creative guidance, Balaji has won almost every major TV award. Her stellar work in creating a large content conglomerate at a young age garnered her several distinguished awards, including The Economic Times (Businesswoman of the Year 2002), Ernst & Young (Entrepreneur of the Year 2001) and the American Biographical Institute (Woman of the Year 2001), among others. She was also placed at the No. 3 position among '50 Most Influential Women' in the Indian marketing, advertising and media ecosystems by IMPACT magazine.

## 4. TUSSHAR KAPOOR

Tusshar Kapoor is a certified MBA (Masters in Business Administration) from the Michigan University in the United States. His first movie with Kareena Kapoor titled 'Mujhe Kuch Kehna Hai' shot him to immediate stardom and bagged him prestigious awards such as Filmfare Awards and Zee Cine Awards for being the Best Male Debutant of the Year. His maturity as a seasoned actor has been visible in numerous movies such as 'Khakee'. He was nominated in the category of Best Supporting Actor in various renowned Bollywood Awards.

## 5. AKSHAY CHUDASAMA

Akshay Chudasama is widely respected in industry circles for his deep insight in the field of corporate law. He is a partner at J. Sagar Associates and specialises in mergers and acquisitions (M&A), consumer protection, joint ventures, cross-border investments, equity funds and dispute resolution. He ceased to be a Director of the Company w.e.f. July 31, 2013.

## 6. PRADEEP SARDA

Pradeep Sarma is the Chairman of Sarma Group of Companies

and also the Chairman of the Governing Board of the Ecole Mondiale World School. He possesses rich experience across multiple industry verticals including paper, engineering, construction, academics and real estate.

## 7. D.G. RAJAN

D. G. Rajan is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He was earlier a Senior Partner at Lovelock & Lewes, Chairman of Direct Taxation Committee of Southern India Chamber of Commerce & Industry and a Member of the Board of Governor of Doon School. He was also the President of the Management Consultants Association of India and Chairman of the Southern Region of Indian Paint Association. Presently, he is the Advisor and Management Consultant to many domestic and international groups.

## 8. ASHUTOSH KHANNA

Ashutosh works as a Partner with Korn/Ferry and specialises in the Consumer Industry. He has worked in the communication industry earlier and carries with him deep insights of multiple industries. He is a sought after speaker at various industry and HR forums for his views on the future of the industry.

## 9. MR. D. K. VASAL

Mr. D. K. Vasal joined the Board on May 15, 2014. He has over 30 years of experience in the service and manufacturing industry. He was a Senior Equity Partner in one of the leading law firms of India, Group Legal Counsel of Vedanta Plc, Sterlite Group; Head of Legal (India Region) Standard Chartered Bank, Senior Advisor of Bank of Baroda; Executive Vice President and Head Legal & Compliance of DCB Bank Ltd; Head Legal – a new-generation private sector bank (now HDFC Bank). He has been involved in many crucial and path-breaking roles.

# MANAGEMENT DISCUSSION & ANALYSIS



## INDUSTRY REVIEW

### GLOBAL ECONOMY

The world economy experienced subdued growth for another consecutive year in 2013. The global economy grew by approximately 2.9% in 2013, its slowest rate since 2009. Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown

in the past two years, encountered new headwinds during 2013 on both international and domestic fronts.

Recently, the global economy has begun to look much healthier. Because of their scale, a recovery in advanced economies is likely to boost global growth to 3.6% in 2014, accelerating to 3.9% in 2015, according to World Economic Outlook of International Monetary Fund (IMF). In the emerging markets and developing economies, growth is projected to pick up gradually from 4.7% in 2013 to about 5% in 2014 and 5.3% in 2015. Growth will be helped by stronger external

demand from advanced economies, but tighter financial conditions will dampen domestic demand growth.

### INDIAN ECONOMY

The Indian economy weathered the global financial crisis rather well and quickly recovered from the decline in growth rate in 2008-09 to a healthy growth that averaged around 9% annually in 2009-10 and 2010-11. India's Gross Domestic Product grew by 4.7% during FY2014, as against 4.5% in the previous fiscal year of FY2013. The World Economic Outlook (WEO) update released by the International Monetary Fund (IMF) in January 2014





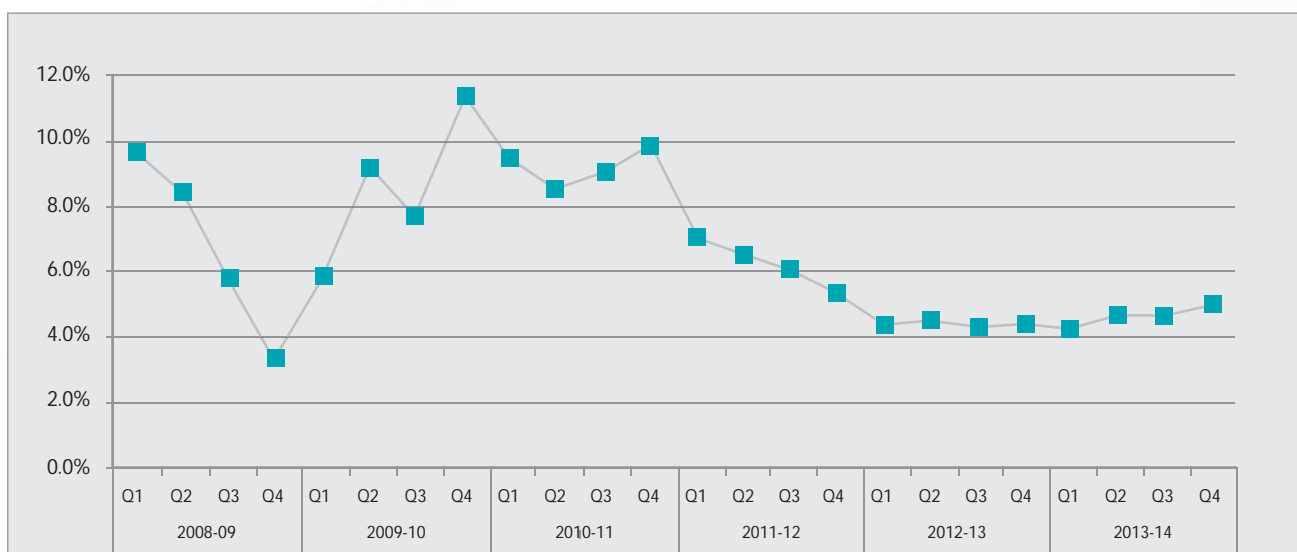
has estimated a better year ahead for the Indian economy. Several reform measures have been undertaken including clearance of several large projects by the Cabinet Committee on Investment, which should help revive the economy and investment sentiments. In addition, resurgence of exports, prospects of revival in the global economy and moderation in inflation observed recently, point to a better outlook for the Indian economy in 2014-15 vis-à-vis 2013-14.

## INDIAN MEDIA & ENTERTAINMENT INDUSTRY

The Indian Media & Entertainment (M&E) industry registered a moderate growth of 11.8% to touch ₹ 918 billion in 2013. This was despite sluggish GDP growth which impacted consumer demand and advertising spend by corporates. The growth was majorly driven by television and print media which together accounted for 72% of industry revenues, having grown by 12.7% and 8.5%, respectively, in 2013. Amidst a subdued operating

environment, the industry continued to benefit from increasing digitisation of media products and services. Gaming and digital advertising were the two prominent industry sub-sectors which recorded strong growth in 2013, albeit on a smaller base. According to KPMG-FICCI estimates up to 2018, digital advertising is expected to display the highest CAGR of 27.7%, while all other sub-sectors are expected to grow at a CAGR in a range of 9-18%. Overall, the industry is expected to register a CAGR of 14.2% to touch ₹ 1,786 billion by 2018.

## GROWTH RATE IN INDIA'S GDP

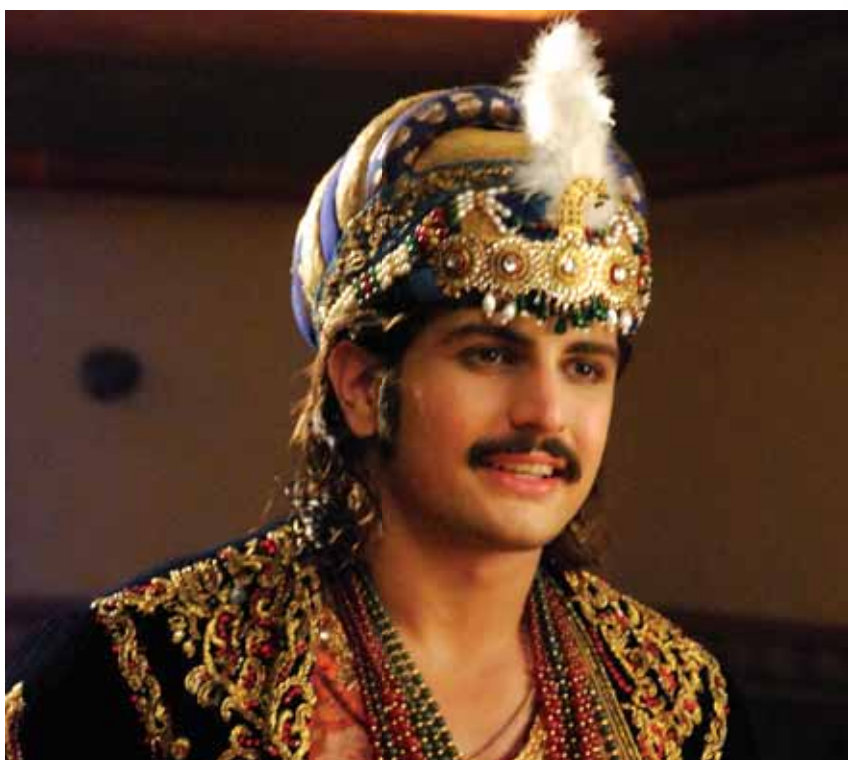


Source: RBI Database

## SIZE OF INDIA'S MEDIA & ENTERTAINMENT INDUSTRY

OVERALL INDUSTRY SIZE	2012	2013	GROWTH IN 2013 OVER 2012 (%)	2014P	2015P	2016P	2017P	2018P	CAGR (2013-18) (%)
TV	370.1	417.2	12.7%	478.9	557.4	672.4	771.9	885.0	16.2%
PRINT	224.1	243.1	8.5%	264.0	287.0	313.0	343.0	374.0	9.0%
FILMS	112.4	125.3	11.5%	138.0	158.3	181.3	200.0	219.8	11.9%
RADIO	12.7	14.6	15.0%	16.6	19.0	23.0	27.8	33.6	18.1%
MUSIC	10.6	9.6	-9.9%	10.1	11.3	13.2	15.1	17.8	13.2%
OOH	18.2	19.3	5.9%	21.2	23.1	25.2	27.5	30.0	9.2%
ANIMATION AND VFX	35.3	39.7	12.5%	45.0	51.7	60.0	70.2	82.9	15.9%
GAMING	15.3	19.2	25.5%	23.5	28.0	32.3	36.1	40.6	16.2%
DIGITAL ADVERTISING	21.7	30.1	38.7%	41.2	55.1	69.7	88.1	102.2	27.7%
TOTAL	821	918	11.8%	1039	1201	1390	1580	1786	14.2%

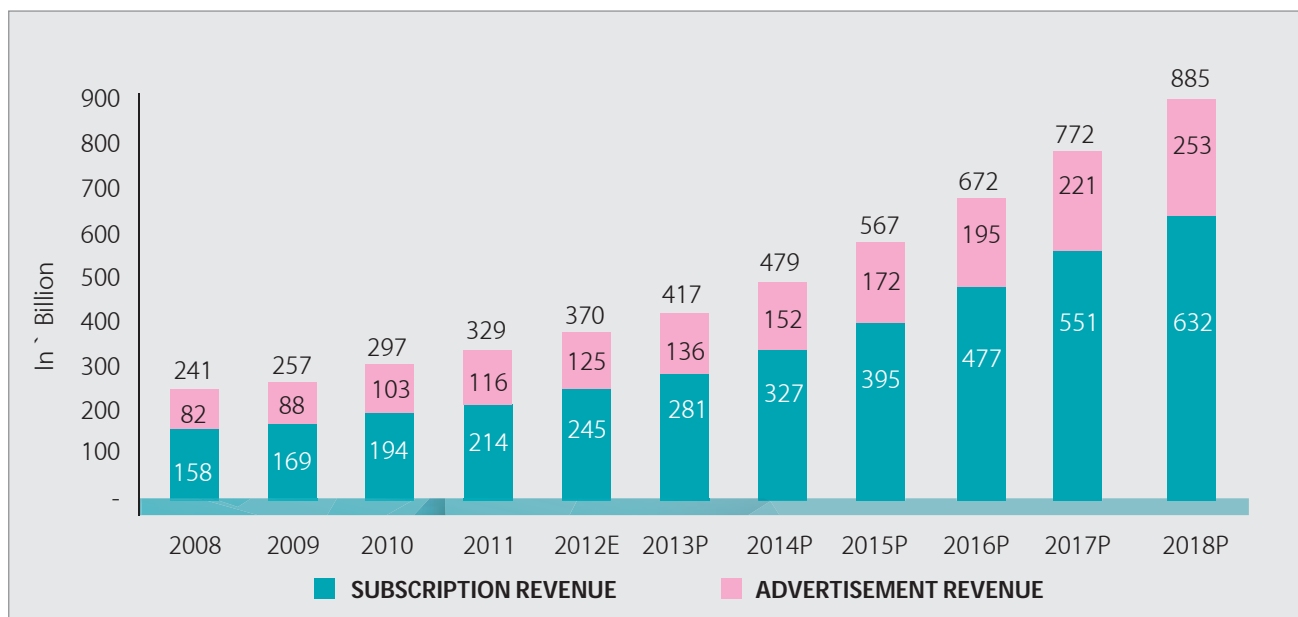
Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2013; All Figures in ` Billion



THE TV INDUSTRY GREW BY 12.7% TO ` 417 BILLION IN 2013. THIS WAS PRIMARILY DRIVEN BY HIGHER SUBSCRIPTION REVENUES WHICH GREW BY 15% IN 2013 TO ` 281 BILLION. THIS GROWTH WAS PARTIALLY OFFSET BY A LOWER GROWTH OF 8.8% IN THE ADVERTISING REVENUES.



## SIZE OF INDIAN TELEVISION INDUSTRY



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India  
 Note: Figures are rounded to nearest integers and may not add up exactly to column totals

## INDIAN TELEVISION INDUSTRY

The Indian television (TV) industry went through several key fundamental shifts in 2013. This impacted its current operating environment and will determine its growth prospects in the near future. The TV industry grew by 12.7% to ₹ 417 billion in 2013,



primarily driven by higher subscription revenues which grew by 15% to ₹ 281 billion, partially offset by lower growth of 8.8% in the advertising revenues.

The television advertising had to cope with the economic slowdown which caused the corporates to cut their advertisement spends. In addition, the operating environment further got affected by the Quality of Service regulation introduced by The Telecom Regulatory Authority of India (TRAI) in March 2013, capping the duration of advertisement to 12 minutes per hour.

The subscription revenues continued to benefit from increasing digitisation of cable in Phase I & II cities. In addition to better transparency due to digitisation of cable, TRAI also focussed its attention on improved subscriber addressability for which it directed all Multi-system Operators (MSO) to maintain their subscriber management system (SMS) after collection of customer application forms (CAF) and proper customer verification. The MSOs also started moving their subscribers from net billing to gross billing which includes entertainment tax and service tax in the bill amount. While the digitisation of cable has achieved the transparency and subscriber addressability for the

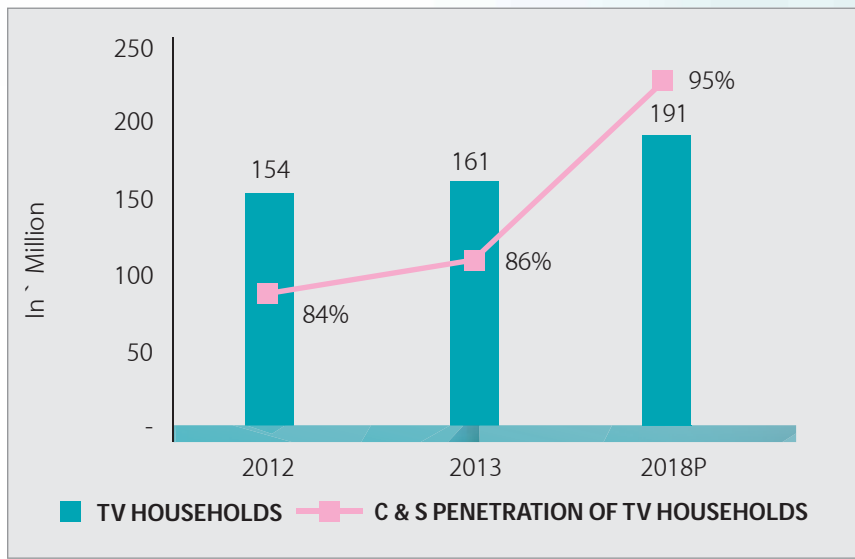
MSOs and broadcasters, it is expected to take another 2-3 years for them to witness the subsequent growth in subscription revenues and Average Revenue per User (ARPU) driven by appropriate channel packs, premium content channels, high definition channels, pay-per-view and other value added services.

### GROWTH DRIVERS

The content producers are also set to capitalise on cable digitisation drive and improvise their business model. Digitisation has pushed content producers to invest more in content, upgrade the content quality, offer customised and localised content and launch of new premium channels with reduced carriage fees. Furthermore, the content producers are also increasingly recognising the need for owning Intellectual Property (IP) rights. A majority of the TV programmes currently produced in India are commissioned, where the IP rights for the content and the characters remain with the broadcaster. Owning of IP rights will help the content producers to gain from multi-platform content monetisation through licensing content and formats in international markets, dubbed or remade versions on regional language channels, and digital media.

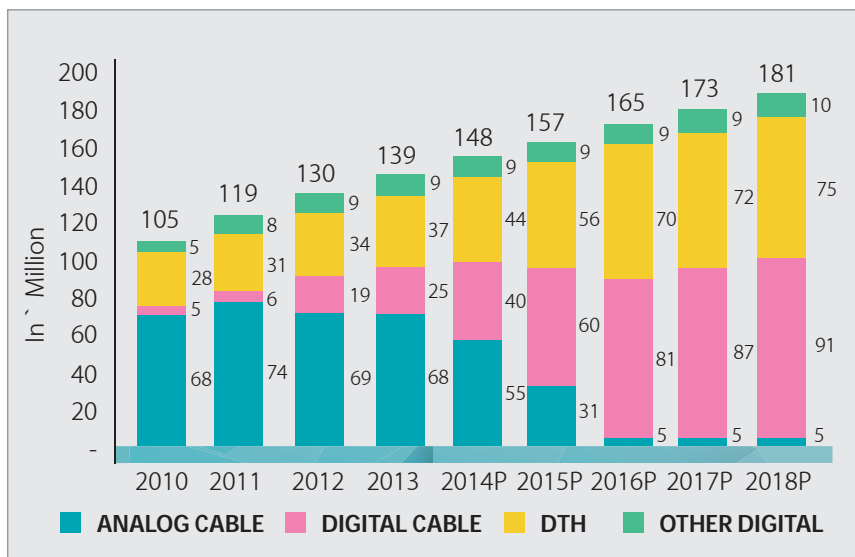


### PENETRATION OF CABLE & SATELLITE IN HOUSEHOLDS



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India

### CABLE & SATELLITE SUBSCRIBER BASE



Source : KPMG in India Analysis, Industry discussions conducted by KPMG in India

The television penetration in India touched 60% in 2013 implying 161 million TV households. The number of Cable & Satellite (C&S) subscribers was 86% of the total TV households and is expected to grow to 95% of the TV households by 2018. While the digitisation of cable is quickly expanding across India, digital cable offered by MSOs continues to retain a larger share of analogue subscribers, as they provide higher number of channels and a better quality of signal at lower price.

Going forward, the television industry is expected to grow at a CAGR of

16% over 2013-18, to reach ~ 885 billion in 2018. Revival in economic growth, increasing penetration of TV households, greater transparency and higher ARPU through digitisation, will be the key benefactors driving the television industry growth. While the television advertising is expected to grow at a CAGR of 13% over 2013-18, subscription revenues are set to be the major driver of growth for broadcasters and MCOs, growing at an estimated CAGR of 18% from 2013 to 2018. Increase in the declared subscriber base and higher revenue share are expected to drive up the share of subscription to total revenues from 67% in 2013 to 71% in 2018.

### INDIAN FILM INDUSTRY

The Indian film industry continued to display its consistent performance year over year in 2013 both in terms of content and box office collections. There has been a significant growth backed by differentiated content, larger releases across digital screens and aggressive promotions by production houses. The growing box office collections indicate the audiences' growing appetite for differentiated content. This has resulted in shift in industry focus from 'blockbuster' movies to movies driven by good quality niche and thematic content. Rapid development of the digital infrastructure including digital movie prints and expansion of multiplexes, has helped the content to reach the audience in the most effective manner. Increasing corporatisation of production houses has also resulted in higher investment and focus in content development.

Furthermore, formation of alliances between production houses from various regional markets has enhanced the availability of quality content through exchange of talent and movie remakes in different languages. The increased focus on content development has however resulted in higher production costs. Corporatisation is leading the industry to become more prudent and structured with greater emphasis on acquisition of script, planning, budgeting and financing activities. Various family run production houses, in order to expand while controlling costs, have started developing in-house producers and providing them with a platform to produce films.





## SIZE AND PROJECTIONS OF INDIA'S FILM INDUSTRY

REVENUES	2012	2013	2012-13 (YoY GROWTH) (%)	2014P	2015P	2016P	2017P	2018P	CAGR (2013-18) (%)
DOMESTIC THEATRICAL	85.1	93.4	9.8%	102.2	116.9	133.3	146.3	160.2	11.4%
OVERSEAS THEATRICAL	7.6	8.3	9.4%	9.4	10.3	11.4	12.0	12.7	8.9%
HOME VIDEO	1.7	1.4	-18.0%	1.2	1.0	0.9	0.8	0.7	-13.0%
CABLE & SATELLITE RIGHTS	12.6	15.1	20.2%	16.1	18.4	20.9	23.0	25.2	10.7%
ANCILLARY REVENUE STREAMS	5.4	7.0	29.3%	9.1	11.7	14.7	17.8	21.0	24.7%
<b>TOTAL</b>	<b>112.4</b>	<b>125.3</b>	<b>11.5%</b>	<b>138.0</b>	<b>158.3</b>	<b>181.3</b>	<b>200.0</b>	<b>219.8</b>	<b>11.9%</b>

All Figures in ` Billion

The Indian film industry touched ` 125.3 billion in 2013. Domestic theatres continued to be the major contributor accounting for 75% of industry revenues. Wider acceptance of digital technology, with around 80-100% of films being digitally distributed and 90-95% of theatre screens digitised, and larger number of movie screens across India, have been the key revenue drivers for the domestic theatrical segment. With more than 4,500 screens across the country, it has been possible to manage a wider and coordinated release of movies across the country.

Overseas theatres contributed only 7% of the total revenues. North America, U.K. and the Middle East are the key markets accounting for around 80 percent of the total overseas revenues. Of late, the industry is experiencing increasing demand from new markets such as Japan, South Korea and Peru where films are distributed with subtitles in the native language. C&S rights formed a major portion of revenues for film producers and accounted for 12% of the industry revenues. C&S revenues grew 20.2% in 2013 with average C&S rights for high budget Bollywood movies being sold at an average of ` 400-500 million compared to ` 300-400 million in 2012.

While digitisation of movies has reduced piracy to certain extent, it still continues to remain one of the major concerns of the film industry, accounting for 55 percent of revenue loss due to piracy. The Cinematograph

Act of 2013, constituted by the Ministry of Information & Broadcasting (MIB) has proposed to address the issue of intellectual property theft by declaring piracy as a non-bailable offense. The Ministry has made it mandatory for the multiplex owners to screen anti-piracy clips and violation of which will have implications on the license issued to multiplex owners. The committee has also recommended a fine extending from ` 500,000 to ` 2.5 million and an imprisonment up to 3 years for unauthorised duplication of certified films.

While digitisation of movies and movie screens has led to the domestic theatre growth in recent years, the next wave of growth is now expected to result from rapid expansion of multiplex infrastructure in India. This in turn is a function of performance of real estate industry and growth of organised retail in India. Furthermore, factors such as rapid urbanisation, penetration of multiplex in tier II and III cities, increasing sophistication in production and marketing of films and audiences' preference for differentiated content, are together expected to help the industry sustain its growth over the next few years and be worth ` 219.8 billion by 2018.

### INDUSTRY OUTLOOK

With the gradual economic recovery expected post the general elections, the Indian M&E industry is expected to display an improved performance. Advertising revenue which contributes around 50 percent of the total media

revenue including print and television is expected to improve as corporates restore their advertising budgets. As the TV digitisation gains traction pan India, broadcasters and MSOs are set to gain from increasing subscription revenues thus reducing their reliance on cyclical advertising revenues. TRAI has proposed increasing foreign direct investment (FDI) limits in hosts of broadcast subsectors such as broadcast carriage service, television content services and FM radio. This could lead to increased investor interest in the sector which is already getting enlarged by the digitisation drive.

Changing lifestyles and increasing penetration of internet-enabled mobile devices are setting the stage for digital media in India. According to TRAI, the number of subscribers accessing Internet on mobile devices was 176.5 million in June 2013, increasing from 143 million in March 2013. The double-digit growth is likely to continue in 2015. Increasing Internet penetration is also leading to TV channels offering their mobile applications, live TVs on websites, a trend in line with developed countries with high Internet penetration.

The Indian M&E industry shall continue to benefit from India's favourable demographics. Being one of the youngest nations in the world, with high content consumption, strong content creation and favourable regulatory framework, India is an attractive investment destination for global M&E companies.

## COMPANY OVERVIEW: OUR TELEVISION BUSINESS



**OUR WELL-SPREAD REACH ACROSS GECs AND VARIOUS REGIONS AND OUR STRATEGIC TIE-UPS WITH A HOST OF CHANNELS MAKE US PREDICTABLE, WHILE OUR CONTINUED FOCUS ON COST OPTIMISATION GIVES US SUSTAINABILITY. A HEALTHY PIPELINE OF FORTHCOMING PROJECTS GIVES US A POSITIVE UPSIDE, MAKING OUR TV BUSINESS MORE SCALEABLE.**

Television entertainment has been the foundation stone for our business. Fiscal year 2013-14 has been one of the best years for Balaji Telefilms's TV business in terms of number of shows, quality of content and operating margins. This has been the only year in the history of Balaji when each quarter posted positive cash flows. Our TV shows are among the top-rated across entertainment channels and are constantly raking in higher

TRPs, a testimony to our industry standing. Going forward, we aim to make inroads into the regional space too by creating content in southern languages, besides in Bangla and Marathi. We have a deep pipeline of long-format and short-format TV series with a strong foothold across channels, giving us clear visibility of revenues and screen space over the next few years.

## OUR TV SHOWS ON AIR DURING FY2014

TV SHOW	RUNNING SINCE	RUNNING TILL	CHANNEL
PAVITRA RISHTA	June 1, 2009	Present	Zee TV
BADE ACHHE LAGTE HAIN	May 30, 2011	July 10, 2014	Sony TV
KYA HUA TERA WAADA	January 30, 2012	May 23, 2013	Sony TV
EK THI NAAHIKA	March 09, 2013	April 28, 2013	Life Ok
JODHA AKBAR	June 18, 2013	Present	Zee TV
GUMRAH (SEASON 3)	July 7, 2013	February 9, 2014	Channel V
PAVITRA BANDHAN	September 9, 2013	Present	DD National
MTV WEBBED (SEASON 1)	September 14, 2013	December 7, 2013	MTV
CONFESSIONS OF AN INDIAN TEENAGER	November 25, 2013	May 20, 2014	Channel V
YE HAI MOHABBATEIN	December 3, 2013	Present	Star Plus
MTV WEBBED (SEASON 2)	April 4, 2014	July 18, 2014	MTV
KUMKUM BHAGYA	April 15, 2014	Present	Zee TV
MERI AASHIQUI TUMSE HI	June 24, 2014	Present	Colors
GUMRAH (SEASON 4)	August 17, 2014	NA	Channel V
UNTITLED	August, 2014	NA	Life OK





## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# SERIALS

CURRENTLY  
ON AIR



**Premiered:** June 2013  
**Lead Actors:** Rajat Tokas,  
 Paridhi Sharma, Chetan Hansraj  
**Genre:** Historical love story  
**Channel:** Zee TV

*Jodha Akbar* is a 16<sup>th</sup> century love story about a political marriage of convenience between Mughal emperor Akbar and the Rajput princess Jodha. Being hard-nosed, rough, tough and heartless, Akbar kept expanding his empire at the cost of other's lives, emotions and love. Whilst Jodha, the fiery Rajput

princess and daughter of the King of Amer, was the one to value emotions. Once married, Akbar embarked on the journey of true love. Akbar's biggest challenge was in winning the love of Jodha, which was hidden deep below resentment and extreme prejudice.



**Premiered:** April 2014  
**Lead Actors:** Shabbir  
 Ahluwalia, Sriti Jha  
**Genre:** Family Drama  
**Channel:** Zee TV

*Kumkum Bhagya* is about a women-centric Punjabi family based in Chembur. The underlying concept of the show is about how different people come together from different backgrounds and perspectives and yet adjust into each other's lives. The family's two daughters, Pragya and Bulbul, are poles apart and the story

revolves around their love lives. Pragya likes Suresh who is a simple guy, whereas Bulbul dreams about Abhi. Being a rockstar, Abhi is obsessed with money and fame and does not believe in love. Pragya, on the other hand, believes in love and money doesn't matter much to her.







*Ye Hai Mohabbatein* is a love story between a mother and a child who are brought closer to each other through a unique bond and under weird circumstances. It is this bond that also brings Raman and Ishita into each other's lives. A Tamilian, Ishita has been abandoned by her fiancé and would-be parents-in-law due to her inability to bear a child. Raman, who is a Punjabi was once an affable person, but is now hardened by the cruel end of his marriage as his wife marries his

**Premiered:** December 2014

**Lead Actors:** Karan Patel, Divyanshi Tripathi

**Genre:** Fiction

**Channel:** Star Plus

boss, a much richer and suave person. The wife Shagun leaves behind 4-year old Roohi, but since she looks exactly like her mother, Raman neglects the child. Amidst the hilariously turbulent friction between the Punjabi and South Indian family, Ishita's motherly

love blooms for Roohi due to which Ishita agrees to marry Raman. He agrees as he too is scared of losing his daughter in the custody to his wife. Through the test of time, Raman and Ishita not only share each other's pain, but love too blossoms between them.



**Premiered:** September 2013

**Lead Actors:** Yash Tonk, Hritu Dudani

**Genre:** Family Drama

**Channel:** DD National

*Pavitra Bandhan* is a metaphorical take on the story of a young and free-spirited woman whom destiny and circumstances push into a situation, which is like a dark and endless night. She has to face the situation all alone and is constantly lightening up other people's lives. The TV show is a poignant and passionate tale of this young woman. It is not a love story, but a story about love set in the backdrop of the beautiful landscapes of Bengal and the enriched Bengali culture.



## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# SERIALS CURRENTLY ON AIR



**Premiered:** May 2011  
**Lead Actors:** Ram Kapoor, Sakshi Tanwar  
**Genre:** Mature love story  
**Episodes Completed:** 644  
**Channel:** Sony TV

*Bade Achhe Lagte Hain* is a love story between two completely different kind of people, Ram Kapoor and Priya Sharma. Ram Kapoor is a well-reputed, rich and powerful businessman in his early 40s, while Priya is from a middle-

class family and is sensible, philosophical and mature. The story is about how their dislike for each other slowly changes to respect, and eventually love. However, every time Priya and Ram grow closer, situations drive them apart. After story

takes a 20-year leap, their daughter Pihu and several other antagonists are introduced. The show ended in July 2014 with the theme on how their love stands the test of time, after years of a turbulent love life.



**Premiered:** June 2009  
**Lead Actors:** Hiten Tejwani, Ankita Lokhande, Karan Mehra  
**Genre:** Family drama  
**Episodes Completed:** 1,352  
**Channel:** Zee TV



*Pavitra Rishta* is the story of Manav Deshmukh, a mechanic, and his wife Archana, an uneducated young woman, and how they fall in love and marry each other. Following an 18-year leap,

the story showcased the lives of their children, adopted daughter Purvi and her marriage with business tycoon Arjun Digvijay Kirloskar. After another 20-year leap, the story now focusses

on their grown-up grand-children. It shows the marriage of the daughter of Sohan, Manav and Archana's son; and that of their grand-daughter Ankita with business tycoon Naren Karmarkar.



**Premiered:** July 2013  
**Anchored By:** Kritika Kamra  
**Genre:** Thriller  
**Episodes Completed:** 32  
**Channel:** MTV

*Webbed* is a TV show hosted by Kritika Kamra depicting real-life stories to create awareness on cyber abuse. The propogates the thinking and formula: "Think before you click", depicting how

internet is a great place to make friends, but is not bereft of faceless predators. Every like, share, comment, tweet has a butterfly effect and the power to change someone's life. The stories, inspired from

real-life plots, spread awareness against the viscous web. It helps convey the message effectively and demonstrates how crimes are committed in the deep dark world of the World Wide Web.





**Premiered:** July 2013  
**Anchored By:** Karan Kundra  
**Genre:** Thriller  
**Episodes Completed:** 32  
**Channel:** Channel V

*Gumrah* aims at touching the core teenage issues prevailing in India. Every episode deals with a new teenage problem, which is based on a real-life

event. The story focusses on the teenage psyche of how and why a teenager gets carried away and committed a crime at a small age.



**Premiered:** November 2013  
**Genre:** Teen Drama  
**Episodes Completed:** 52  
**Channel:** Channel V

*Confessions of an Indian Teenager* is a show that gives strong hope to teenagers. The show not only focusses on teenage issues, but provides adequate resolution to each problem

showcased. Each episode has a different story and is based on some real-life problems faced by teenagers in India.



**Premiered:** June 2014  
**Lead Actors:** Shakti Arora,  
 Radhika Madan  
**Genre:** Family Drama  
**Channel:** Colors

The main protagonist of *Meri Aashiqui Tumse Hi* is Ranveer. At the age of 10 years, he falls in love with Ishaani who is 9-years old, even as he is dealing with his mother's death. Ironically, Ranveer's father Kamlesh bags the job of that of a driver with Ishaani's father Harshad

Mehta, who also helps Ranveer get himself educated. Gradually, Ranveer's sharp talent and quick thinking is noticed and he becomes Mehta's 'right hand' man. Mehta entrusts Ranveer the job of making Ishaani and Chirag, the son of one of Mehta's friend, fall in love. With great honesty, Ranveer fulfills this responsibility. But as the story progresses, Ishaani realises Ranveer's love for her.



## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN TELEVISION

# WE ARE PRESERVING WHAT WE'VE BUILT AND SCALING NEW HEIGHTS BY STRENGTHENING OUR PROGRAMMING LINE-UP



We have proven our content capabilities and established a niche market position, driven by the type and quality of content delivered through a mix of our top-rated TV shows.

*Jodha Akbar*, which premiered on Zee TV in June 2013, scaled an impressive TRP, emerging as the No. 2 TV show across all entertainment channels. It is rapidly finding place among the top-rated shows on Indian television. Being the highest rated historical drama on the small screen, it enabled Zee TV

move up from its No.4 to the No.2 slot among entertainment channels.

### BEING PACE-SETTERS

Amongst our new shows, *Ye Hai Mohabbatein*, the family drama launched in December 2013 on Star Plus is raking in a TRP of 3. It has clocked the record of being the show with the largest time spent on any channel with an average of 19 minutes. In April this year, we launched *Kumkum Bhagya* on Zee TV at 9.00 pm, shifting our ongoing top-rated TV show

*Pavitra Rishta* to the 6.30 pm slot. On the immediate horizon, *Meri Aashiqui Tumse Hi* was recently aired on Colors. There are two new shows slated to be broadcasted in August. One of these is a cult show titled starring Sonali Bendre, Harsh Chhaya and Apurva Agnihotri and will be featured on Life OK. Another show will be aired soon on Sony's new channel PAL. Besides another family drama, we are working on another one on the lines of a teen show depicting the lives of 8-9 school kids and their transition to college.

**OUR FUTURE SLATE FOR FY2015 AND FY2016 GIVES US GOOD VISIBILITY INTO OUR NEAR-TERM FUTURE. WE AIM TO LAUNCH AT LEAST 6-7 NEW HIGH-QUALITY, HIGH-CONCEPT SHOWS OF DIVERSE GENRES ACROSS CHANNELS. SCALING UP OUR TV CONTENT VOLUME HELPS US FURTHER OPTIMISE COSTS.**



## ATTAINING COST EFFICIENCIES

A healthy slate of TV shows in the pipeline leads to an increased scope for cost rationalisation and optimisation. We continue to focus on optimum utilisation of our production sets, resources, manpower, production staff, occupation in building, editing machines, among others. Instead of investing in creation of new sets, we are refurbishing existing ones. Even as the basic fixed cost of each project remains the same, we are achieving economies of scale and reducing costs through set amortisation. We continue to monitor weekly costs through an MIS that gets viewed regularly even at the promoter's level. Our infrastructure is being utilised more judiciously and our costs are kept fully in control. Our efficient planning and execution

ensures the highest productivity and output among all production houses across India.

## BETTERING OUR MARGINS

Our strategies help us add to our bottom line. Prior to any new TV show, we conduct workshops, mock shoots and dress rehearsals with our actors, helping us better plan and enhance our profitability. This ensures we do not waste too much time on the production sets, trimming down our costs even further. Cost optimisation has been a result of efficient planning and execution of each project. Our new show on Doordarshan has been executed at highly competitive prices, enhancing our profitability.





## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN TELEVISION

# EXPLORING DIVERSE GENRES AND CONTENT INNOVATION TO DRIVE GROWTH IN VIEWERSHIP

WHILE LONG-FORMAT FAMILY DRAMAS HAVE BEEN OUR KEY GROWTH DRIVER, WE ARE NOW EXPLORING DIVERSE GENRES. OUR AIM IS TO PROVIDE FRESH, INNOVATIVE AND DIFFERENTIATED CONTENT TO AVOID CLUTTER AND DRIVE GROWTH IN VIEWERSHIP. OUR CONTINUED SUCCESS WILL DEPEND ON HOW WELL WE DIFFERENTIATE OURSELVES FROM COMPETITION. OUR OBJECTIVE IS TO CREATE A BASKET OF ASSORTED AND INNOVATIVE TV SHOWS THAT APPEAL TO OUR EXISTING AUDIENCES AND HELP US WIN NEW ONES.

At Balaji, we have well established ourselves as the leading TV production house in long-format TV shows. Having been credited for our successful K-series *saas-bahu* shows which created a loyal viewer base, we are experimenting with short-format, season-based and high-concept shows to satiate viewers' growing appetite. We are focusing on genres as diverse as thriller, youth, horror, reality and teen crime in the Hindi GEC space, the most watched genre on Indian television. Our new programming line-up includes niche and radically

different TV shows, not limiting ourselves to conventional *saas-bahu* serials with mass orientation. Our *mantra* is to deliver differentiated and fresh content to audiences without compromising on quality.

### EXPLORING DIVERSE GENRES

After the successful launch of three seasons of our popular show *Gumrah*, its 4<sup>th</sup> season is slated to take off on Channel V. Based on teen crime, this sensational thriller is aimed at

the youth. *Confessions of an Indian Teenager*, a show we launched on Channel V based on cyber abuse, has been widely appreciated. We successfully created a niche with careful positioning through youth-focused content. As we move ahead, TV will continue to be our mainstay business. Although we have achieved scale in our TV business, going forward our aim will be to establish meticulous forward planning that allows us the luxury of uninterrupted revenue streams with as many GECs and niche channels as possible







## BEING SLOT CHANGERS AND CHANNEL DRIVERS

Having established an undisputed leadership in the TV domain, we are concentrating on building new prime-time slots. We have already earned the reputation of turning around prime-time TV slots with our top-rated shows. With our hit and successful TV series *Bade Acche Lagte Hain* which runs on Sony TV, prime-time moved to the 10.30-11.00 pm slot. Now with *Ye Hai Mohabbatein* on Star Plus, we migrated prime-time back to 11.00-11.30 time band. Despite being premiered as late as 11.00 pm, this new show is managing a TRP of 3, while repeat shows too are pulling in a 1.5 TRP.

Earlier, our Tamil TV show *Kudumbam* on Sun TV had moved prime-time band to 10.00-10.30 pm; later, with a thriller TV show in the Hindi GEC space *Kahin Kisi Roz*, we again changed prime-time to 11.30-11.00 pm time band. We are developing and strengthening our presence and making significant inroads in the regional markets through new launches in South, Bangla and Marathi programming.



## COMPANY OVERVIEW: OUR MOVIES BUSINESS

WE UTILISED THE YEAR FY2014 IN UNDERSTANDING THE SCIENCE BEHIND THE ART OF MAKING MOVIES. WE GAINED BETTER UNDERSTANDING OF THE MOST PRODUCTIVE TICKET SIZE PER INVESTMENT THAT IS APPROPRIATE FOR BALAJI. MOST OF OUR MOVIES IN FY2014 RAKED IN AN OPERATING PROFIT. OUR FUTURE FILMS ARE SURE TO BE YIELDING ASSETS GIVING US SUPERIOR RETURNS.



Even as Television continues to be our 'Bread & Butter', Movies clearly represents an upside opportunity. Our key growth drivers have been innovative ideas and great packaging. With our television business as our backbone, the movies vertical has enabled us to evolve as one of the leading entertainment houses. During the year, we produced 6-7 movies across genres and of various ticket sizes. We collaborated with the best industry talent to pool collective wisdom in the interest of creating high-quality, high-concept product.





## OUR MOVIE SLATE DURING FY2014 AND FY2015

MOVIE	ACTORS	YEAR AND MONTH OF RELEASE
<b>RELEASES IN FY2014</b>		
<b>RAGINI MMS-2</b>	Sunny Leone	March, 2014
<b>SHAADI KE SIDE EFFECTS</b>	Farhan Akhtar, Vidya Balan	February, 2014
<b>ONCE UPON A TIME IN MUMBAI DOBAARA</b>	Akshay Kumar, Imran Khan, Sonakshi Sinha	August, 2013
<b>LOOTERA</b>	Ranveer Singh, Sonakshi Sinha	July, 2013
<b>SHOOTOUT AT WADALA</b>	John Abraham, Anil Kapoor, Tusshar, Manoj Bajpai, Kangana Ranaut	May, 2013
<b>EK THI DAAYAN</b>	Emraan Hashmi, Konkona Sen Sharma, Kalki Koechlin, Huma Qureshi	April, 2013
<b>RELEASES IN FY2015</b>		
<b>MAIN TERA HERO</b>	Varun Dhawan, Ileana D'Cruz, Nargis Fakhri	April, 2014
<b>KUKU MATHUR KI JHAND HO GAYI</b>	Siddharth Gupta, Ashish Juneja, Simran Kaur Mundi	May, 2014
<b>EK VILLAIN</b>	Sidharth Malhotra, Shraddha Kapoor, Riteish Deshmukh	June, 2014





## OUR MOVIES BUSINESS: OPERATIONAL OVERVIEW

# movies

RELEASED  
IN FY2014



**Release Date:** March 21, 2014  
**Genre:** Horrex  
**Actors:** Sunny Leone  
**Produced By:** ALT Entertainment  
**Director:** Bhushan Patel



When a young enthusiastic crew and an over-the-top film director, Rocks, visit a farmhouse on the outskirts of Mumbai to make a horror-thriller film, the director casts Sunny Leone, a famous adult film entertainer, as his lead to play the character of Ragini. He also casts Satya, a young and bitter man, as the film's writer, who has researched the previous incident with Ragini for his novel. He decides to shoot this film at the actual location, where the Ragini event had occurred earlier, as seen in the original (*Ragini*

*MMS*). Little did the team know that the house was haunted by twin ghosts. The horror turns real and menacing as strange and creepy things begin to happen on the sets and amongst the crew as there is a bigger, untold truth. *Ragini MMS-2*, a sequel to the biggest sleeper hit of 2011, provided a thrilling cinematic experience for the youth, laced with music, spooks and sensuousness. It outperformed at the box office and created new benchmarks for the genre.

## shaadi ke side/effects

This delightful and intimate romantic comedy, shot in Mumbai and Australia, peeks into the life of the newly-married Sid and Trisha fighting for space in their marriage. A sequel to *Pyaar Ke Side Effects*, this one starring Farhan Akhtar and Vidya Balan is the story of a newly-married couple in an urban set-up.

The iconic characters, Sid and Trisha, come to life in the sequel as husband and wife. Sid has beaten his fear of marriage and Trisha has finally gotten around to saying her vows the third time round. The movie is about how the 'now married' couple succeeds in addressing the impossible task of coping with each other's fantasies and realities.



**Release Date:** February 28, 2014  
**Genre:** Romance, Drama  
**Actors:** Farhan Akhtar, Vidya Balan  
**Produced By:** Balaji Motion Pictures & Pritish Nandy Communications  
**Director:** Saket Chaudhary

## ONCE UPON A TIME IN MUMBAI DOBAARA!



*Once Upon A Time In Mumbai Dobaara* was a sequel to the 2010 hit *Once Upon a Time in Mumbai*. The movie sheds light on the underbelly of crime in Mumbai, the entertainment capital of India. The film was different from its prequel, which was about a power struggle. This one was a romantic trail underlining the mentor-protege relationship.

**Release Date:** August 15, 2013

**Genre:** Romance, Thriller

**Actors:** Akshay Kumar, Sonakshi Sinha, Sonali Bendre-Behl, Imran Khan

**Co-Produced By:** Balaji Motion Pictures

**Director:** Milan Luthria

## LOOTERA

**Release Date:** July 5, 2013

**Genre:** Romance

**Actors:** Ranveer Singh, Sonakshi Sinha

**Co-Produced By:** Balaji Motion Pictures  
& Phantom

**Director:** Vikramaditya Motwane

*Lootera* is an epic period love story which marks the first-time pairing of Ranveer Singh and Sonakshi Sinha. It was an old-fashioned period romance inspired by American author O'Henry's *The Last Leaf*. It was an uplifting story of two lovers – of heart-break, betrayal and ultimate redemption. This was a period drama set in 1950s in rural Bengal and Dalhousie, with the backdrop of the zamindari system prevalent then. The movie was shot on 35mm and filmed mostly on locations in cavernous mansions, emerald fields and snow-covered hills. It emerged as the most loved and acclaimed film of the year.



## OUR TELEVISION BUSINESS: OPERATIONAL OVERVIEW

# movies

RELEASED  
IN FY2014



**Release Date:** May 2013

**Genre:** Action, Crime, Thriller, Drama

**Actors:** John Abraham, Anil Kapoor, Kangana Ranaut, Tusshar, Manoj Bajpai, Sonu Sood

**Produced By:** Balaji Motion Pictures & White Feather Films

**Director:** Sanjay Gupta

The multi-starrer gangster flick, a prequel to *Shootout At Lokhandwala*, was based on the first police encounter of Manya Surve who took on Dawood Ibrahim and challenged his supremacy over Mumbai. The movie dramatised the first-ever registered encounter of Surve by Mumbai police, one of the most realistic presentations of an encounter that the Indian judiciary has ever witnessed. The movie was based on S. Hussain Zaidi's account of the rise and fall of a mafia don in Mumbai of 1970s, projected in his book 'Dongri to Dubai'. The movie was a mass entertainer with smart dialogues and a stylised cinematic version of what is a journalist's account of the true story.

*Ek Thi Daayan...*  
A Kannan Iyer Film



**Release Date:** April 2013

**Genre:** Supernatural Thriller

**Actors:** Emraan Hashmi, Konkona Sen Sharma, Huma Qureshi, Kalki Koechlin

**Produced By:** ALT Entertainment

**Director:** Kannan Iyer

Set in contemporary Mumbai, *Ek Thi Daayan* narrated a believable story of a magician who is a master in his craft. Woven beautifully between the world of magic, occult and suspense, the movie made for compulsive viewing, providing some spine-chilling thrills at short gaps. It was one of the most unique horror movies to have been launched in Indian film industry in a long time. It was addressed as a new concept movie and widely appreciated by the audiences and critics.



# movies

RELEASED  
IN FY2015



## main tera HERO



**Release Date:** April 4, 2014

**Genre:** Comedy, Romance

**Actors:** Varun Dhawan, Ileana D'Cruz, Nargis Fakhri

**Produced By:** Balaji Motion Pictures

**Director:** David Dhawan

A romantic action-comedy, *Main Tera Hero* is the story of 21 year-old Seenu. He goes to Bangalore to prove his mettle, and once there, he falls in love with Sunaina, who is being blackmailed by an immoral cop into marrying him. As Sunaina falls in love with Seenu, she is kidnapped by a don in Bangkok called Vikrant. Apparently, Vikrant's daughter is also in love with Seenu. He then goes to Bangkok to rescue Sunaina, the love of his life, and to get rid of the Don's love-obsessed daughter. This first-time pairing of father and son (David and Varun) was a huge USP and left the viewers enthralled, generating tremendous excitement and curiosity.

## KUKU MATHUR KI JHAND HO GAYI



**Release Date:** May 30, 2014

**Genre:** Comedy, Drama

**Actors:** Siddharth Gupta, Ashish Juneja, Simran Kaur Mundi

**Produced By:** Balaji Motion Pictures & Getaway Films

**Director:** Aman Verma

*Kuku Mathur ki Jhand Ho Gayi (KMKJHG)* is an entertaining slice-of-life feature, revolving around two friends Kuku Mathur and Ronnie Gulati in a suburban middle class colony of Delhi. The two friends have passed their Class 12 exams and are celebrating their good scores. Although he dreams of opening a restaurant, Kuku gets the job of an assistant on a Bhojpuri music video set. On the other hand, Ronnie's father gifts him with a blouse-and-petticoat shop to run. The crux of this charming and heart-warming coming-of-age movie is about friendship in modern times.

## VILLAIN

There's one in every love story



**Release Date:** June 27, 2014

**Genre:** Romance, Thriller

**Actors:** Sidharth Malhotra, Shraddha Kapoor, Riteish Deshmukh

**Produced By:** Balaji Motion Pictures

**Director:** Mohit Suri

Guru is a quiet, tough and ruthless man with a dark past. He meets Aisha who despite suffering from a terminal illness, lives life to the fullest. Guru falls in love with Aisha and the two eventually get married and move to Mumbai. Miraculously, Aisha shows an improvement in her medical condition, but is unfortunately killed. Guru is shocked to learn about the killer who is a quirky and seemingly innocuous, middle-class man. The rest of the story is about what prompted this man to murder Aisha and how does Guru succeed in getting even with him. The movie is ranked among the year's biggest blockbusters.

## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN MOVIES

# CATERING TO MASS SENSIBILITIES THROUGH DIFFERENTIATED CONTENT AND A DIVERSE MOVIE SLATE



AT BALAJI MOTION PICTURES, WE RECOGNISE THE POWER OF CONTENT. WE ARE DABBLING WITH DIFFERENTIATED CONTENT, DIVERSE SENSIBILITIES AND HAVE BECOME A MAGNET FOR TALENT. WE REMAIN PROUD OF OUR SCRIPT BANK. OUR CREATIVE SENSIBILITIES AND CONTENT CAPABILITIES ARE OUR KEY STRENGTHS. WE AIM TO CATER TO DIVERSE GENRES – FAMILY ENTERTAINMENT FORMATS, EDGE-OF-THE-SEAT, THRILLER, YOUTH-ORIENTED AND NICHE CONTENT.

A prime growth driver for our movies vertical is our highly innovative ideas – storylines that appeal to mass sensibilities. Unlike earlier when the success of a film hinged on its star-cast, recent times have proven that Indian audiences have matured. They are appreciating films driven by strong scripts and not necessarily star power. The year gone by too reinforced the idea that good content sells, no matter what. Our movies proved that content is king and overpowers everything. As a creative powerhouse, our belief lies in the power of an idea, which reflects in our diverse slate of movies.

### OUR ROBUST MOVIE SLATE

Our portfolio of movies enhanced our top line to new records, while enhancing bottom line too. We gradually scaled up our movie production and created an ecosystem, that ensures a steady pipeline of movies over the next few years. We believe in



creating a strong brand franchise to help our audiences connect with us better. We are leveraging our brands *Kya Kool Hain Hum* and *Ragini MMS* to build a franchisee model with a key strategic thrust on sequels and series. We embraced diverse subjects and different genres. We have been able to gain credibility as an established production house that can win audiences across age-groups.

### RELEASES ON THE UPSWING

From 3 movie releases during FY2013, we scaled up and doubled to 6 releases during FY2014. We produced and successfully released *Ek Thi Dayan*, *Shootout at Wadala*, *Lootera*, *Once Upon a Time in Mumbai Dobaara*, *Shaadi Ke Side Effects* and *Ragini MMS-2*. By virtue of the number of releases, we emerged as one of India's Top 5 movie production houses. Going forward, we plan to release 4-5 movies in FY2015. Of these, *Main Tera Hero*, *Kuku Mathur Ki Jhand Ho Gayi* and *Ek Villain* have already released. Given our slate approach, at any given point of time we have as many as 15-20 movies in various stages of development.







## OUR BUSINESS STRATEGIES AND KEY PERFORMANCE AREAS IN MOVIES

# WE LEVERAGE ON SUPERB PACKAGING, EFFECTIVE MARKETING AND SMART FINANCING TO INCREASE OUR SCALE



The year gone by was all about evangelising our movies and leveraging innovative marketing strategies for promotion. For the promotion of super-natural thriller *Ek Thi Daayan*, we created 16 hours of TV programming aired through the 8-series show *Ek Thi Naayika* on Life OK, casting lead actresses of our popular long-format shows on TV. For *Shaadi Ke Side Effects*, the movie's lead actors Farhan Akhtar and Vidya Balan advised audiences on marriage-related issues as marriage counsellors. For *Ragini MMS-2*, our lead actress Sunny Leone teased audiences across India by performing to "The Baby Doll" song on a live stage dance.

### SMART FINANCING... THE WAY TO BE

Since our movie budgets are not over-priced, we did not incur any table losses. We consciously keep costs low, manage day-to-day budgets, maintain MIS with a lean, yet effective, team.

We maintain our Above-The-Line (ATL) costs and economies of scale optimally. We subject ourselves to rigorous budgeting for each movie to ensure adequate return ratios. We consciously choose shooting locales where we get rebates, such as Mauritius. We leverage our co-production model to build our film slate and pool creative wisdom. For example, a proposed co-production between Balaji Telefilms and Dharma Productions promises to be the biggest creative partnership in the industry, which would enhance terms of trade as well.

### DERISKING BY ENHANCING NON-THEATRE BUSINESS

Our theatre revenue growth is strongly driven by pre-sales. Our objective continues to be to cover nearly 50% of production cost from our non-theatre business. We have optimised our risk-return trade-off by

pre-selling the movie's music, satellite and overseas rights. We de-risk to the maximum level by increasing our non-theatre revenues. We negotiate with TV channels and music companies for best rates for satellite and music rights. The entire production cost for *Main Tera Hero* was covered through non-theatre revenues. Our overseas theatre rights for *Shaadi Ke Side Effects* earned from Eros International also helped us improve our revenues. For *Ragini MMS-2*, we covered the entire production cost from theatre revenues and also earned a handsome profit.

### STRENGTHENING DISTRIBUTION CAPABILITIES

Our highly-experienced distribution resulted in stable revenues from distribution business. Besides Mumbai, we also distributed our own movies in the Delhi territory selectively. Our aim is to capture territories with potential and set up our own distribution at



WE UNDERSTAND THE NEED FOR CUSTOMISED, TAILOR-MADE MARKETING FORUMS TO ATTRACT AUDIENCES AND INCREASE VIEWERSHIP. INNOVATIVE AND CLUTTER-BREAKING MARKETING HAS BEEN ONE OF OUR KEYS TO SUCCESS AT THE BOX OFFICE.



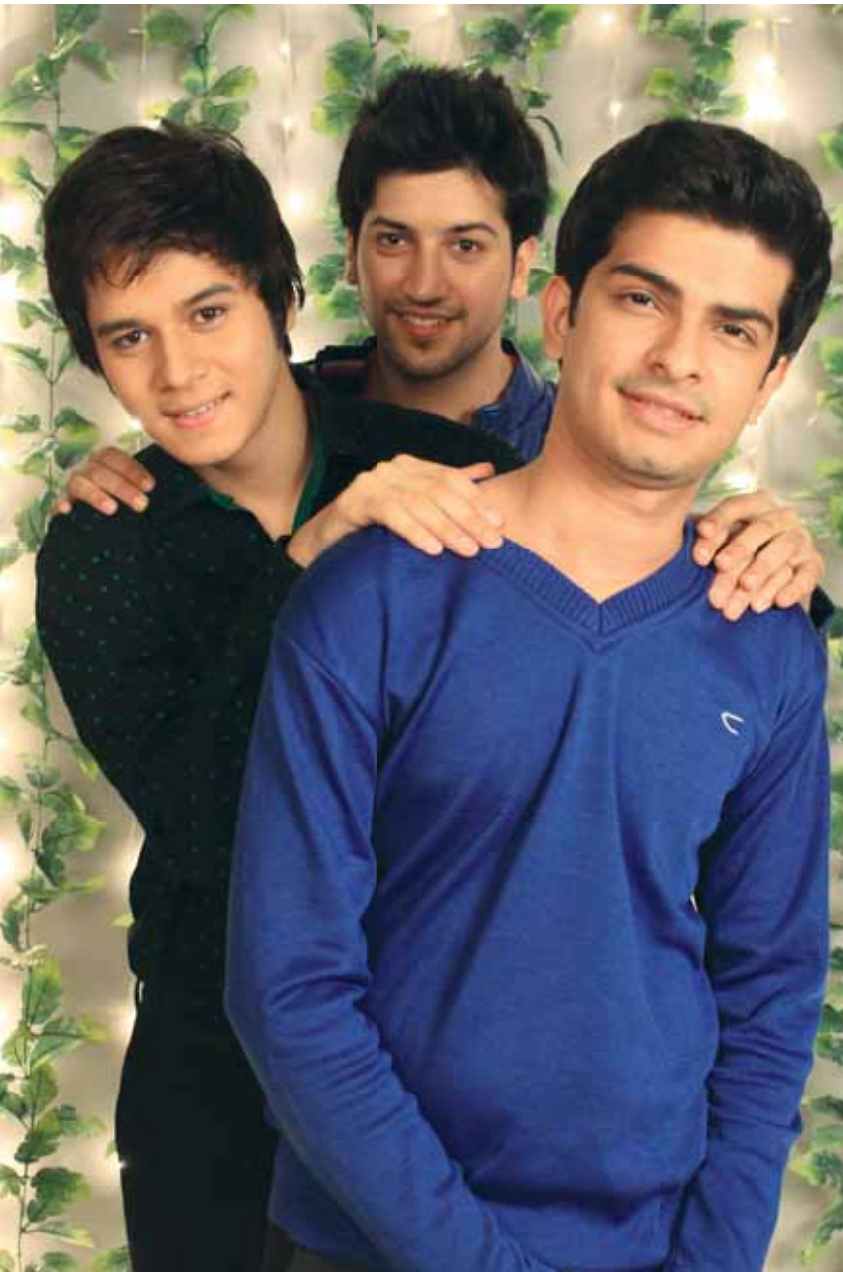
Mysore, Punjab and Rajasthan over a course of time. However, we take distribution calls depending upon our scrutiny and feasibility study for every new release. Going forward, we are studying the distribution model effectively to strategise how to enhance our revenues. Our insights in this business will enable us to optimise our revenue earning potential.





## EXPANDING THE BASKET DARING TO BE DIFFERENT

BOLT MEDIA LIMITED IS ALL ABOUT DOING DIFFERENT THINGS, DIFFERENTLY. BESIDES DOING DIFFERENTLY-POSITIONED TV SHOWS, WE ARE EXPANDING OUR PROFILE TO INCLUDE SHORT-FORMAT TV SERIES IN YOUTH AND HUMOUR GENRE, PRODUCT ADVERTISEMENTS, EVENTS, AND VARIOUS OTHER FORMATS EFFECTIVELY.



Having completed one year of operations, Bolt Media Limited has established itself well in the entertainment fraternity and is well acknowledged for its deliverables under the Balaji stable. During the year under review, Bolt Media created and put on air two TV shows. *Ye Jawaani Tara Riri*, a 78-part series for a bi-weekly show on Channel V, is a coming-of-age story of three brothers. *Love by Chance*, a weekly episodic romcom on Bindaas TV, opened with the best launch TRPs witnessed in the last couple of years. The show's theme is how love happens by chance, when least expected. The light-hearted show comprises 26 delightful love stories of





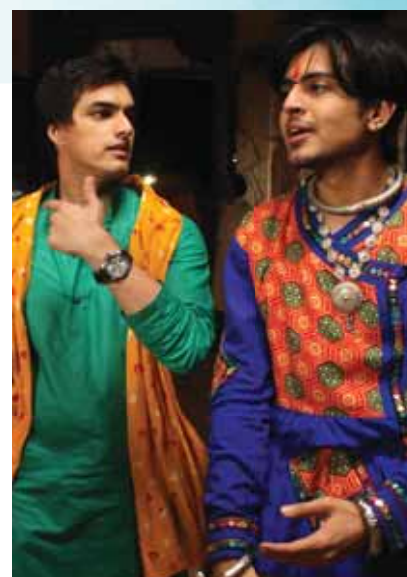
couples who bumped into each other by chance and still gave love a chance.

Two of our TV shows created in FY2014 are now in the process of getting aired by broadcasters. Among these, *Rakht* is a 10-series epic documentary; while *Dharma Kshetra* is a 26-series neo-mythological courtroom drama.

Besides short-format shows, we are also specialising in making TV series for the youth and are serious about exploring the humour genre in a big way. Poised by its capabilities, Bolt Media aims to double its top line by the end of FY2015.

## BEYOND TV

During the year, we signed an AFP with consumer products major Johnson & Johnson India (J&J India) to create a specialised TV show for Life OK. We conceptualised the show from a scratch. The show focussed on how successful women achieved their true calling in the light of change. Some of the women covered under the show were Ekta Kapoor, Kiran Bedi, Anjali Bhagwat, Deepika Kumari, Chhavi Rajawat, among others. This created more opportunities of working with J&J India, producing more TV commercials and creating 5 web-based advertisements.



## EXPANDING THE BASKET NEW AVENUES, NEW PLATFORMS

HAVING TAPPED THE TV & FILM PLATFORMS SUCCESSFULLY, WE AIM TO FURTHER ENGAGE WITH OUR AUDIENCES AND PROVIDE THEM WITH A MORE APPEALING PLATFORM TO VIEW OUR CONTENT. OUR OBJECTIVE IS TO LEVERAGE THE DIGITAL PLATFORM TO BE ABLE TO REACH OUT TO YOUNGER AUDIENCES AS WELL.



Having achieved success in creating content for the TV and Films domain, we are now taking a pioneering step in creating original content dedicated for the digital medium – a ‘first’ in the industry. We have entered into an agreement with YouTube to leverage an additional platform to showcase our content. We are creating a new revenue model by creating original series for the web, starting with 3 shows and slowly expanding our portfolio. We mean to tap varied genres such as drama, comedy, non-fiction, documentary and thriller.

For this, we aim at exploring the co-production model in a meaningful way. We are joining our hands with several small-time and fresh content



producers. We are nurturing their immense talent and potential by funding shows they produce and by utilising Balaji's infrastructure and production equipment. To keep costs economical, we are also leveraging Balaji's bank of actors at an earlier pricing format.

## LEVERAGING OTHER PLATFORMS

We are amongst the first TV production house to successfully foray into original content creation for the web. Over the last few years, we have been syndicating and monetising our content across all digital platforms and increasing our revenues through these platforms. We have been licensing

our content through platforms such as Spuul, Bigflix, Vuclip, Digitainment, Singtel and BoxTV, among others. We also recently released our films over new international platforms such as Hulu, Amazon Prime, iTunes and DailyMotion.

## THE YOUTUBE CONNECTION

To better monetise our film catalogue, we joined hands with YouTube in January 2013 to create an exclusive channel to showcase movies produced by Balaji Motion Pictures Limited (BMPL). The BMPL channel on YouTube serves both as a promotional tool for our upcoming films as well as a revenue generator where we earn

revenues through advertising. The channel showcases content such as trailers, teasers, behind-the-scenes, making-of-the-movie, bloopers and deleted scenes in addition to full length films. The channel has raked in over 1.2 lakh subscribers (and growing), generating additional revenues. In FY2014, we entered into another joint agreement with YouTube and the FMCG major Hindustan Unilever Limited (HUL). As per this agreement, our content on YouTube will be preceded by advertisements of various FMCG products manufactured by HUL. In return, HUL has bought our channel inventory at an attractive premium.



# HUMAN RESOURCES LEADING EFFECTIVE CHANGE

**WE BELIEVE IN HAVING A LEAN, YET EFFECTIVE, WORKFORCE. WE MOTIVATE OUR EMPLOYEES TO BE ENTREPRENEURIALY DRIVEN. RATHER THAN HIRING LARGE TEAMS WITH SINGLE POINT OF ACCOUNTABILITY, WE ENCOURAGE OUR PEOPLE TO BE ACCOUNTABLE FOR THEIR OWN WORK. WE BELIEVE IN IDENTIFYING STAR PERFORMERS AND MAKING THEM THE LEADERS FOR TOMORROW.**



By virtue of being in the media & entertainment industry, HR@Balaji Telefilms Limited deals with a great deal of people with pedigree. Human Resource is not a mere department or support system for recruiting employees, but a significant function within the organisation which partners with Business Teams. It is not just an organisation offering careers, but an institution in itself

## UNITY IN DIVERSITY

Employees are our strategic assets – our key to success. Each employee at Balaji Telefilms Limited is special and unique in his/her own way. We have a diverse employee base – a combination of creative people and those with technical and functional

abilities. We, as an organisation, cherish our employees' diversities and multi-fariousness. In addition to this, our open-door policy encourages our employees to interact directly with the senior management. The policy not only ensures quick information flow to the lowest level, it also results in faster turnaround time with no scope for red tapism and bureaucratic delays in the decision making process.

## THINK LIKE AN ENTREPRENEUR

Employees at Balaji Telefilms Limited drive their own domain along with the Senior Management. A key policy we internally follow is that of inculcating a sense of entrepreneurial spirit

within our employees. We motivate employees to be independently driven and empower them to innovate and ideate freely. Instead of hiring large teams with a single point of accountability, we encourage each single employee to be accountable for their own individual work. Having a lean, yet effective, workforce is our key mantra. The belief not only makes our human capital more liable, but also enables them to enjoy the upsides

## GROWTH STORY@BALAJI

We offer our employees an exponential growth story and a rewarding career within the system which is performance driven and proves to



be gratifying over a period of time. We also acquire regular perception and feedback from employees on practices, culture and career growth, which is then used to set an edifice in formulating our HR activities. Our objective is to make our company 'the most preferred workplace'. We hand hold each new employee, providing them quick and valuable insights about the organisation. The aim behind this is to ensure their seamless transition within the organisation's

culture and to help our employees identify their goals in a collaborative and proactive manner.

### **TALENT ACQUISITION & MANAGEMENT**

Our aim is to clearly stand out as an organisation which attracts the best talent which is pedigreed. As part of succession planning, we hire employees and nurture them within the organisation with the

aim of making them the "Leaders of Tomorrow." Through elaborate and extensive campus placements from reputed institutes, we hand pick each employee matching with exact skill-sets. In the forthcoming year, we envisage in building our human capital to an effective Rewards & Recognition programme which is strictly adhered to rewarding "Star Performers" and creating an atmosphere of appreciation.





# MANAGEMENT OUTLOOK

Globally, the Indian M&E industry is one of the fastest growing and we aim to leverage the growth prospects optimally. The industry in India, particularly in mature markets, is in a differentiated stage of evolution. The potential for growth in this sector is significantly higher.

We are looking at successfully ramping up our numbers. Our aim is growth, sustainability and wealth creation for shareholders. We have a strong visibility of our film and TV slate for 2015 and 2016 which underpins a positive outlook. For both these segments, we are going the long-drawn path of creating content in-house from a scratch. We want to emerge as a media powerhouse. We aim to be recognised as content creators in movies too by creating cutting-edge and box office commercially successful cinema.

We realise that the 'Balaji' brand is getting bigger each day. We aim to experiment with new business and monetisation models and leverage every single opportunity that comes our way. We aim to focus on collaboration and innovation to achieve our vision and drive unprecedented growth in viewership in the TV and movies segment.

With our audiences having begun patronising the Balaji brand, our key focus is profits. Since most of our shows are still driven by Ekta Kapoor, we aim to be process-driven, rather than personality-driven. Also, having achieved scalability, we will focus on becoming sustainable and predictable in this business and leverage every opportunity that comes our way and TV will continue to be our mainstay.

**OUR AIM IS GROWTH, SUSTAINABILITY AND WEALTH CREATION FOR SHAREHOLDERS. WE HAVE A STRONG VISIBILITY OF OUR FILM AND TV SLATE FOR 2015 AND 2016 WHICH UNDERPINS A POSITIVE OUTLOOK. WE AIM TO EXPERIMENT WITH NEW BUSINESS AND MONETISATION MODELS AND LEVERAGE EVERY SINGLE OPPORTUNITY THAT COMES OUR WAY.**

## OUR STRATEGIC PRIORITIES IN FY2015

- Creating newer show formats for television content through a wholly-owned subsidiary
- Creating original and diverse show content to retain leadership
- Exploring opportunities across channels and languages
- Creating films across budgets – leveraging our brand, scale and presence
- Building our marketing and distribution capabilities
- Creating a diverse movie slate to capture audiences across genres
- Leveraging opportunities in regional markets by expanding network







## RISKS & CONCERNS

Our audit committee ensures statutory and regulatory control and transparency of all financial disclosures. Our internal audit team monitors and enhances operational efficiencies and ensures optimum effectiveness of the Company.

Piracy of content produced can adversely affect our revenues and profitability. The film industry has set up the Anti-Piracy Society to combat this peril. Delays or cost overruns can impact the completion and release of our films. Further, the unorganised nature of this industry can impact revenues. However, an inclination towards corporatisation of our industry, better planning and execution can help us mitigate these risks.

# DIRECTORS' REPORT

Your Directors take pleasure in presenting the 20th Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2014.

## COMPANY PERFORMANCE:

### A) FINANCIAL HIGHLIGHTS

The salient features of the Company's financial results for the year under review are as follows:

Particulars	₹ in Lakhs	
	2013-14	2012-13
<b>Income from operations</b>	131,53.69	140,85.25
Total expenditure	126,76.98	134,45.76
<b>Operating profit</b>	<b>4,76.71</b>	<b>6,39.49</b>
Interest	1,18.86	8.52
Depreciation	5,45.38	7,86.37
<b>Operating (loss) after interest and depreciation</b>	<b>(1,87.53)</b>	<b>(1,55.40)</b>
Other income	17,89.09	18,16.81
<b>Profit before tax</b>	<b>16,01.56</b>	<b>16,61.41</b>
Provision for taxation	5,99.47	3,28.45
<b>Net profit after tax</b>	<b>10,02.09</b>	<b>13,32.96</b>
Balance brought forward from previous year	207,22.90	198,28.40
<b>Appropriations:</b>		
Disposable profits	217,24.99	211,61.36
Proposed dividend	2,60.84	2,60.84
Corporate dividend tax	44.33	44.33
Transfer to general reserve	1,00.21	1,33.30
<b>Balance carried to balance sheet</b>	<b>213,19.61</b>	<b>207,22.90</b>

### B) RESULTS OF OPERATIONS

For the year ended March 31, 2014, the Company earned total revenue of ₹ 131,53.69 Lacs, a decrease of 7 % over the previous year's ₹ 140,85.25 Lacs. As per the consolidated accounts, the total revenues have increased by 119% from ₹ 185,97.48 Lacs to ₹ 407,46.01 Lacs during the year under review. The Company earned net profit of ₹ 10,02.09 Lacs during the year under review as compared to net profit of ₹ 13,32.96 Lacs in the previous year.

A detailed discussion on the business performance is presented in the Management Discussion and Analysis Section of the Annual Report.

## APPROPRIATIONS:

### DIVIDEND

The Directors are pleased to recommend a final dividend of ₹ 0.40 per share (20% on a par value of ₹ 2 per share) for the approval of the members. The final dividend, if declared as above, would involve an outflow of ₹ 2,60.84 Lacs towards the dividend (previous year ₹ 2,60.84 Lacs) and ₹ 44.33 Lacs towards dividend tax (previous year ₹ 44.33 Lacs), resulting in a total outflow of ₹ 3,05.17 Lacs.

### TRANSFER TO RESERVES

We propose to transfer ₹ 1,00.21 Lacs to the general reserve out of the amount available for appropriations. An amount of ₹ 213,19.61 Lacs is proposed to be retained in the profit and loss account.

## MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management Discussion and Analysis, which forms part of the Annual Report.

## PUBLIC DEPOSITS:

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 58A the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

# DIRECTORS' REPORT (Contd.)

## SUBSIDIARY:

The Company has two (2) wholly owned subsidiaries namely Balaji Motion Pictures Limited (BMPL), incorporated in March 2007 and Bolt Media Limited (BOLT), incorporated in November 2012.

### BALAJI MOTION PICTURES LIMITED (BMPL):

Balaji Motion Pictures Limited (BMPL), a wholly owned subsidiary of Balaji Telefilms Limited which is into movie production, has produced and released 6 movies during FY 2014. These were Ek Thi Daayan, Shootout at Wadala, Lootera, Once Upon a Time in Mumbai Dobaara, Shaadi Ke Side Effects and Ragini MMS-2.

In FY 2014, we scaled output substantially with diverse subjects and genres, cementing our position as a film company to reckon with. During the year under review we pride ourselves in being the only studio with the highest industry turnover despite being the youngest in the business. We successfully undertook distribution of some of our movies in limited territories, giving us the confidence to be across the value chain, from production to distribution. Going forward, BMPL aims to further scale up its healthy and steady pipeline of movies.

During FY 2015, BMPL released Main Tera Hero and Kuku Mathur Ki Jhand Ho Gayi so far. Ek Villan is next in line. A host of other projects are at various stages in their life cycle and are under planning for FY 2015 and FY 2016.

BMPL aims to build on its credibility as a leading motion picture studio and maintain focus on scripts, budgets, economies of scale and innovative marketing. The emphasis will continue on optimising risk-return trade-off by pre-sale of rights.

### BOLT MEDIA LIMITED (BOLT):

Bolt Media Limited (BOLT), a wholly owned subsidiary of Balaji Telefilms Limited, has completed one full year of operations during FY2014 and has established itself well in the entertainment fraternity. During the year under review, it created two new TV shows – Ye Jawaani Tara Riri, a 78-part series for a bi-weekly show on Channel V, and Love by Chance, an episodic romcom on Bindaas TV, these shows would be broadcasted in the fiscal year 2014-15. In addition, two more TV shows created in FY2014 are in the process of getting aired by broadcasters. One of these is a 10-series epic documentary, while Dharma Kshetra, the second one, is a 26-series neo-mythological courtroom drama.

During the year, BOLT signed an AFP with the consumer products major Johnson & Johnson India to create a TV show for Life OK. The specialised show focused on how some successful women, Ekta Kapoor, Kiran Bedi, Anjali Bhagwat, Deepika Kumari, Chhavi Rajavat, among others, achieved their true calling in the light of change. The subsidiary is currently in the process of producing TV commercials and web-based advertisements for Johnson & Johnson India. BOLT aims to double its top line by the end of FY2015.

## DIRECTORS:

Mr. D. K. Vasal was appointed as Additional (Non-Executive) Director of the Company w.e.f. May 15, 2014. As per the provisions of Section 161 of the Companies Act, 2013 he will hold office upto the date of the ensuing Annual General Meeting of the Company. Directors recommend his appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. May 15, 2014. The Company has received notice under Section 160 of the Companies Act, 2013, together with requisite deposit proposing appointment of Mr. D. K. Vasal as Director of the Company.

In accordance with the Articles of Association of the Company, Mr. Jeetendra Kapoor Director retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

Mr. P. K. Sarda, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. P. K. Sarda as Director of the Company.

Mr. D. G. Rajan, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. D. G. Rajan as Director of the Company.

Mr. Ashutosh Khanna, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. Ashutosh Khanna as Director of the Company.



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## DIRECTORS' REPORT (Contd.)

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The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of these Directors containing the details of their age, qualifications, expertise, other directorships, committee memberships, etc. has been given in the Statement attached to the Notice for the ensuing Annual General Meeting.

Mr. Akshay Chudasama who was an Independent Director ceased to be director of the company w.e.f. July 31, 2013 due to his resignation.

None of the Directors of the Company are disqualified under Section 274(1)g of the Companies Act, 1956.

### MANAGEMENT:

During the year under review, following appointment and resignations of Key Managerial Personnel have taken place:

#### Appointment:

Name	Designation	Effective Date
Mrs. Simmi Singh Bisht	Company Secretary	May 27, 2013

#### Resignation:

Name	Designation	Effective Date
Ms. Alpa Shah	Company Secretary	May 27, 2013

### AUDITORS' AND AUDITORS' REPORT:

M/s Deloitte Haskins & Sells LLP, Chartered Accountants and M/s Snehal & Associates, Chartered Accountants, Joint Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from all of them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### AUDIT CHARTER:

The Audit Committee constituted by the Company consists of following directors:

1. Mr. D.G Rajan- Chairman
2. Mr. Jeetendra Kapoor- Member
3. Mr. Pradeep Sarda- Member
4. Mr. D.K. Vasal- Member

The Audit Committee acts in accordance with the terms of reference as specified under Section 177(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and the Scope of Audit Committee as envisaged in Audit Charter.

### CONSOLIDATED FINANCIAL STATEMENTS:

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2013-14.

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Directors have constituted the Corporate Social Responsibility Committee. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the said Policy and recommending the amount to be spent on CSR activities.

### WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

# DIRECTORS' REPORT (Contd.)

## PARTICULARS OF EMPLOYEES:

Particulars of employees, as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out as under:

Sr. No.	Full Name	Current Designation & Nature of Duties	Gross Remuneration (₹ in Lakhs)	Qualification	Date of Joining	Experience (Years)	Age (Years)	Previous Employment
1.	Mrs. Shobha Kapoor	Managing Director	1,10,12,400	-	November 10, 1994	19	65	N/A
2.	Ms. Ekta Kapoor	Joint Managing Director	51,25,250	-	November 10, 1994	19	39	N/A
3.	Mr. Ketan Gupta	Chief Operating Officer - Special Projects	60,00,000	B.Com	February 1, 2012	17	36	Head – Production & Operations, Fox - Television Studio India Pvt Ltd
4.	*Mr. Jay Sampat	Group Strategy Head	44,01,144	Engineering, M.M.S & CFA (ICFAI)	August 1, 2013	10	39	Accenture

Note:

- The gross remuneration shown above comprises of salary, commission, allowances, Company's contribution to provident fund, gratuity fund, medical insurance and monetary value of the perquisites as per income tax rules.
- Services of Mrs. Shobha Kapoor and Ms. Ekta Kapoor are terminable by twelve months' notice respectively. Services of all other employees mentioned above are terminable by either party in accordance with the terms and conditions specified in their appointment letter.
- None of the employees mentioned above are related to any Directors of the Company, except for Mrs. Shobha Kapoor and Ms. Ekta Kapoor, who are related to each other.
- As on March 31, 2014, Mrs. Shobha Kapoor held 91,29,462 shares constituting 14% and Ms. Ekta Kapoor held 1,35,72,704 shares constituting 20.81% of the issued and paid up share capital in the Company, respectively.
- \* Indicates employed for part of the year.

## PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956:

As per Section 212 of the Companies Act, 1956, we are required to attach certain documents of our subsidiaries. We have attached the Directors' Report, Auditors' Report, Balance Sheet and Profit and Loss account of Balaji Motion Pictures Limited and Bolt Media Limited, the wholly owned subsidiaries of the Company and the statement under Section 212 of the holding company's interest in the subsidiary. The Company also presents the audited consolidated financial statements in the Annual Report. We believe that the consolidated accounts present a full and fair picture of the state of affairs and financial condition of the Company.

## CONSERVATION OF ENERGY:

### ENERGY CONSERVATION MEASURES TAKEN BY THE COMPANY

Our operations are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and by purchasing energy-efficient equipment. We purchase computers, laptops, air conditioners etc. that meet environmental standards, wherever possible, and regularly upgrade old equipment with more energy-efficient equipment. Currently, we use Compact Fluorescent Lamp (CFL) fixtures to reduce the power consumption in the illumination system.

### ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY

We regularly conduct a survey of our existing infrastructure and assess the need to adopt newer energy efficient technologies.

### IMPACT OF THE MEASURES AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS

Energy costs comprise a miniscule part of our total expenditure and the financial impact of these measures is not material.

### TOTAL ENERGY CONSUMPTION

Since the Company does not form part of the list of industries specified in the schedule, the same is not applicable to the Company.

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## DIRECTORS' REPORT (Contd.)

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### TECHNOLOGY ABSORPTION:

The Company's research and development initiative mainly consists of ideation of new subjects for our content production business, which are used in the creation of new storyline and tracks. The expenses incurred on such initiatives are not practically quantifiable.

The Company is an integrated player in the entertainment industry and our business is such that there is limited scope for new technology absorption, adaptation and innovation. However, the Company uses the latest technology, wherever possible to deliver superior production value, as a regular process.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earnings is ₹ Nil, (Previous Year : ₹ Nil) and the foreign exchange outgo is ₹ Nil, (Previous Year ₹ 45.51 Lacs) as given in Point 23.9 in notes forming part of the financial statements.

### FIXED DEPOSITS:

During the year under review the Company has not accepted any fixed deposit and as such, no amount of principal or interest was outstanding as on the balance sheet date.

### CORPORATE GOVERNANCE:

Your Company has been practising the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed Report on Corporate Governance practices followed by your Company, in terms of Clause 49(VI) of the Listing Agreement together with a Certificate from the Auditors confirming compliance with the conditions of Corporate Governance are provided separately in this Annual Report.

Certificate of CEO / CFO, inter alia, confirming the correctness of the financial statements, adequacy of the internal measures and reporting of matters to the audit committee in terms of the clause 49 of the listing agreements with stock exchanges, is also attached as a part of this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 and based on the representation received from the operating management, the Directors hereby confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- Such accounting policies had been selected and applied consistently and judgments and estimates, made 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 of the Company for the year under review;
- Proper and sufficient care had been taken 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;
- The annual accounts for the financial year ended March 31, 2014 had been prepared on a 'going concern' basis.

### ACKNOWLEDGEMENTS

Your Directors wish to acknowledge with gratitude and place on record their appreciation to all stakeholders - customers, suppliers, business associates, banks, regulatory and governmental authorities for their cooperation, assistance and support. Your Directors also wish to thank all the shareholders for their sustained confidence and their employees for their dedicated services.

For & on behalf of the Board of Directors,

**Jeetendra Kapoor**  
Chairman

Mumbai, May 15, 2014



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## CEO DECLARATION

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I, Shobha Kapoor, Managing Director of Balaji Telefilms Limited based on confirmation received from all the Directors and Senior Management of the Company, do hereby state that all Board Members and Senior Management Personnel has affirmed compliance with the code of conduct of the Company for the year ended March 31, 2014.

Mumbai, May 15, 2014

Shobha Kapoor  
**Managing Director**

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## CEO/CFO CERTIFICATION

We, Shobha Kapoor, Managing Director and Sanjay Dwivedi, Chief Financial Officer of Balaji Telefilms Limited, do hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 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 we 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 we are aware and the steps we 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. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai, May 15, 2014

**Shobha Kapoor**  
Managing Director

**Sanjay Dwivedi**  
Chief Financial Officer

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# CORPORATE GOVERNANCE REPORT

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Balaji Telefilms Limited is committed to strong corporate governance and believes in its indispensability in investor protection. The Company's compliance with the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited is given herein below:

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

The Company's philosophy on Corporate Governance is as under:

- Ensure that quantity, quality and frequency of financial and managerial information, which management shares with the Board, places the Board members fully in control of the Company's affairs
- Ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized
- Ensure that the Board, the Employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company

## **CODE OF CONDUCT:**

The Board of Directors has approved and implemented a Code of Conduct for the Board of Directors and Senior Management. The confirmation from the Managing Director regarding compliance with the code by all the Directors and Senior Management forms part of the Report.

## **PREVENTION OF INSIDER TRADING:**

The Company has instituted a comprehensive code of conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Companies Act, 1956.

## **WHISTLE BLOWER POLICY:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

## **POLICY ON PREVENTION & PROHIBITION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has zero tolerance towards any action on the part of any executive which may fall under the ambit of "Sexual Harassment" at workplace, and is fully committed to uphold and maintain the dignity of every executive working in the Company. The Policy provides for protection against sexual harassment at workplace and for prevention and redressal of such complaints.

## **BOARD OF DIRECTORS:**

The Board consists of experienced professionals drawn from diverse fields. As on March 31, 2014 the Board comprised of seven members, of whom two are Executive Directors, the Chairman of the Board is a Non-Executive Director and after resignation of Mr. Akshay Chudasama, Director, w.e.f. July 31, 2013, the Board's composition was short of one Independent Director however, on appointment of Mr. D. K. Vasal as the Additional (Independent) Director of the Company w.e.f. May 15, 2014, presently half of the strength of the Board of Directors comprises of Independent Directors.

The Board either directly exercises its powers or functions through Committees. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues.

During the year under review, Four (4) meetings of the Board of Directors were held, the dates being May 27, August 9, October 30 in 2013 and on January 24 in 2014. The maximum time gap between any two meetings was not more than four calendar months. None of the Directors of the Company held committee membership of more than ten committees or committee chairmanships of more than five committees across all companies in which the person was a director.

The names and categories of the Directors on the Board, their attendance at Balaji Telefilms Limited's Board Meetings during the year 2013-14 and at last Annual General Meeting and also the number of Directorship and Committee Membership/Chairmanship held by them in various companies are given below:

# CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Director	Attendance Particulars		No. of <sup>1</sup> other Directorships and <sup>2</sup> Committee Membership/Chairmanship		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Jeetendra Kapoor (P,N,NI)	4	Present	4	2	1
Mrs. Shobha Kapoor (P,E,NI)	4	Present	4	1	0
Ms. Ekta Kapoor (P,E,NI)	2	Present	4	1	0
*Mr. Akshay Chudasama (N,I)	1	Present	4	3	0
Mr. Pradeep Sarda (N,I)	3	Present	2	2	0
Mr. D. G. Rajan (N,I)	4	Present	4	4	3
Mr. Ashutosh Khanna (N,I)	4	Present	1	2	2
Mr. Tusshar Kapoor (P,N,NI)	4	Present	4	0	0

P = Promoter; E = Executive; N = Non-Executive; I = Independent; NI = Non-Independent;

<sup>1</sup>Excludes Alternate Directorships and Directorships in Foreign Companies, Companies registered under section 25 of Companies Act, 1956 and Private Limited Companies.

<sup>2</sup>As required under Clause 49 of Listing Agreement, disclosure includes Membership or Chairmanship of Audit Committee and the Shareholders'/Investor' Grievance & Share Transfer Committee in Indian Public Companies (Listed and Unlisted including of the Company). Committee Membership includes Chairmanship also.

\*Mr. Akshay Chudasama resigned as Director of the Company w.e.f. July 31, 2013.

## AUDIT COMMITTEE:

### TERMS OF REFERENCE

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment / removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems, structure and staffing of the internal audit function, reviewing findings of internal investigations and discussing the scope of audit with external auditors.

The terms and composition of the Audit Committee conform to the requirement of Section 292A of the Companies Act, 1956.

### COMPOSITION

The composition of the Audit Committee is as follows:

Chairman	:	Mr. D. G. Rajan
Members	:	Mr. Jeetendra Kapoor Mr. Pradeep Sarda *Mr. Akshay Chudasama
Secretary	:	Mrs. Simmi Singh Bisht
Invitees	:	Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditors



# CORPORATE GOVERNANCE REPORT (Contd.)

## MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Audit Committee were held, the dates being May 27, August 9, October 30 in 2013 and on January 24 in 2014. The details of the attendance thereat are as follows:

<b>Name of the Director</b>	<b>No. of Meetings attended</b>
Mr. D. G. Rajan	4
*Mr. Akshay Chudasama	1
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

\*Mr. Akshay Chudasama, ceased to be Member of the Committee w.e.f. July 31, 2013.

The Statutory Auditors and Internal Auditors of the Company are invitees to the Audit Committee Meetings. The Audit Committee holds discussions with the Statutory Auditors on "Limited Review" of the quarterly and half yearly accounts, yearly Audit of the Company's accounts and other related matters. The report of the Internal Auditors is reviewed by the Audit Committee.

## NOMINATION AND REMUNERATION COMMITTEE:

### TERMS OF REFERENCE

The Committee is entrusted with the role and responsibilities of approving compensation packages of Managing Director/ Whole Time Director, reviewing and approving the performance based incentives to be paid to the Managing Director/ Whole Time Director and reviewing and approving compensation package and incentive schemes of Senior Managerial Personnel.

### COMPOSITION

The composition of the Nomination and Remuneration Committee is as follows:

Chairman	:	Mr. Ashutosh Khanna
Members	:	Mr. Jeetendra Kapoor Mr. Pradeep Sarda *Mr. Akshay Chudasama
Secretary	:	Mrs. Simmi Singh Bisht
Invitees	:	Group Head HR Chief Financial Officer

## MEETINGS AND ATTENDANCE

During the year under review, One (1) meeting of the Remuneration Committee were held, the date being August 9, 2013. The details of the attendance thereat are as follows:

<b>Name of the Director</b>	<b>No. of Meetings attended</b>
Mr. Ashutosh Khanna	1
*Mr. Akshay Chudasama	0
Mr. Jeetendra Kapoor	1
Mr. Pradeep Sarda	1

\*Mr. Akshay Chudasama, ceased to be Member of the Committee w.e.f. July 31, 2013.

## Remuneration Policy and Details of Remuneration Paid

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the Company within the ceiling approved by shareholders.

No performance linked incentives were paid or is payable to the Managing Director and the Joint Managing Director for the year under review. Excluding Ms. Ekta Kapoor, all other Executive and Non-Executive Directors are entitled to commission; however, due to insufficient profits none of them were paid any commission.

No remuneration was paid to Non-Executive Directors apart from sitting fees. Besides the sitting fees, rent amounting to ₹ 29.34 lacs and ₹ 11.03 lacs paid to Mr. Jeetendra Kapoor and Mr. Tushar Kapoor respectively (refer Note No. 23.8) in 'Notes forming part of the financial statements', annexed to the Financial Statements of the year, there is no other pecuniary transaction by the Company with Non-Executive Directors.

# CORPORATE GOVERNANCE REPORT (Contd.)

Details of the remuneration to the Directors for the year ended March 31, 2014

Name	Designation	Remuneration for the year 2013-2014 (₹ in Lakhs)					No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Mrs. Shobha Kapoor	Managing Director	55,20,000	48,30,000	N.A.	6,62,400	1,10,12,400	N.A.
*Ms. Ekta Kapoor	Joint Managing Director	27,62,500	20,31,250	N.A.	3,31,500	51,25,250	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	60,000	-	60,000	32,60,522
Mr. Akshay Chudasama	Director	-	-	15,000	-	15,000	-
Mr. Pradeep Sarda	Director	-	-	45,000	-	45,000	-
Mr. D. G. Rajan	Director	-	-	60,000	-	60,000	300
Mr. Ashutosh Khanna	Director	-	-	60,000	-	60,000	-
Mr. Tusshar Kapoor	Director	-	-	60,000	-	60,000	20,30,250

None of the Directors are related to any other Director on the Board, except for Mr. Jeetendra Kapoor, his spouse Mrs. Shobha Kapoor, their daughter Ms. Ekta Kapoor and their son Mr. Tusshar Kapoor, who are related to each other.

The appointments of Managing Director and the Joint Managing Director are for a period of three years. The nature of employment of Mrs. Shobha Kapoor and Ms. Ekta Kapoor is contractual and terminable by twelve month's notice in writing. If the tenure of the office of Managing Director or Joint Managing Director is terminated before expiration of their tenure, the severance fees would be equivalent to the remuneration for unexpired residue of the tenure.

\*During the year under review Ms. Ekta Kapoor, Joint Managing Director, was paid remuneration upto August 31, 2013 and w.e.f. September 1, 2013, consequent to her appointment as Managing Director of Balaji Motion Pictures Limited (BMPL), her remuneration is being paid by BMPL.

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

### TERMS OF REFERENCE

The functions and powers of the Stakeholders Relationship Committee include approval / rejection of transfer / transmission and rematerialisation of equity shares, issue of duplicate certificates and supervising the operations of the Registrar and Transfer Agents and also maintaining investor relations and review and redressal of shareholders / investors' grievances / complaints. The details in this respect are given in the General Shareholder Information section of this report.

### COMPOSITION

The composition of the Stakeholders Relationship Committee is as follows:

Chairman	:	Mr. Jeetendra Kapoor
Members	:	Mrs. Shobha Kapoor Ms. Ekta Kapoor
Compliance Officer	:	Mrs. Simmi Singh Bisht

# CORPORATE GOVERNANCE REPORT (Contd.)

## MEETINGS AND ATTENDANCE

During the year under review, Four (4) meetings of the Stakeholder Relationship Committee were held, the dates being May 27, August 9, October 30 in 2013 and on January 24 in 2014. The details of the attendance thereat are as follows:

<b>Name of the Director</b>	<b>No. of Meetings attended</b>
Mr. Jeetendra Kapoor	4
Mrs. Shobha Kapoor	4
Ms. Ekta Kapoor	2

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

### TERMS OF REFERENCE

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on May 15, 2014 has constituted a Corporate Social Responsibility (CSR) Committee consisting of majority of Independent Directors. The terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities as indicated in the CSR Policy; monitor the CSR Policy of the Company from time to time; institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and perform any other function or duty as stipulated by the Companies Act, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

### COMPOSITION

The composition of the Corporate Social Responsibility Committee is as follows:

Chairman	:	Mr. Jeetendra Kapoor
Members	:	Mrs. Shobha Kapoor
		Mr. D. G. Rajan
		Mr. Ashutosh Khanna
Secretary	:	Mrs. Simmi Singh Bisht

## GENERAL BODY MEETINGS:

The details of Annual General Meetings held in the last three years are given below:

<b>Annual General Meeting</b>	<b>Day, Date</b>	<b>Time</b>	<b>Venue</b>
17th Meeting	Thursday, September 22, 2011	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
18th Meeting	Wednesday, September 5, 2012	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
19th Meeting	Monday, July 29, 2013	4:00 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

## SPECIAL RESOLUTIONS

Following special resolutions were passed at the last three Annual General Meetings.

### F. Y. 2010 - 2011:

1. Payment of annual remuneration to the Non-Executive Directors of the Company.

### TWO RESOLUTIONS WERE PASSED THROUGH POSTAL BALLOT IN FEBRUARY 2011

1. Alteration of Object clause of Memorandum of Association - (special)
2. Sale of Undertakings under section 293(1)(a) – (ordinary)



# CORPORATE GOVERNANCE REPORT (Contd.)

## DETAILS OF VOTING PATTERN

98.76 % and 98.47 % of shares in assent and 1.24 % and 1.53% of shares in dissent respectively.

## PERSON WHO CONDUCTED THE POSTAL BALLOT

Robert Pavrey, Company Secretary in Practice

## WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

None

## PROCEDURE OF POSTAL BALLOT

As per the provisions of the Companies Act, 1956 and rules made thereunder.

### F.Y.2011 – 2012:

1. Re-appointment of Mrs. Shobha Kapoor as Managing Director of the Company for a further period of 3 (three) years commencing from November 10, 2012 and Payment of Remuneration to her.
2. Re-appointment of Ms. Ekta Kapoor as Joint Managing Director of the Company for a further period of 3 (three) years commencing from November 10, 2012 and Payment of Remuneration to her.
3. Payment of commission to the Director(s) of the Company who is / are neither in the whole-time employment nor managing director(s), as per the provisions of Section 309(4) of the Act, for the period of 5 years commencing from April 1, 2012.

### F.Y.2012 - 2013:NIL

## DISCLOSURES:

### 1. RELATED PARTIES TRANSACTIONS

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No. 23.8 in 'Notes forming part of the financial statements' annexed to the Financial Statements of the year.

### 2. COMPLIANCES BY THE COMPANY

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

### 3. WHISTLE BLOWER POLICY

The Board of Directors of the Company has formulated a Whistle Blower Policy in its meeting held on May 15, 2014. The Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

## COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS:

### 1. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

### 2. RELATED PARTY TRANSACTIONS

A statement in summary form of transactions with related parties is periodically placed before the Audit Committee.

### 3. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in preparation of financial statements.

### 4. DISCLOSURE ON RISK MANAGEMENT

The Company has framed a Risk Management Policy which is periodically reviewed by the Board.

### 5. CODE OF CONDUCT

The Company has laid down a code of conduct for the Directors and Senior Management of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this Report, which alongwith the Auditors' certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

# CORPORATE GOVERNANCE REPORT (Contd.)

## 6. CEO & CFO CERTIFICATION:

A Certificate from Mrs. Shobha Kapoor, Managing Director and Mr. Sanjay Dwivedi, CFO of the Company, on the financial statements of the Company is annexed to this report.

## 7. NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS:

Particulars of Directors who need to be appointed/re-appointed at the ensuing Annual General Meeting have been annexed to the Notice convening the meeting.

## MEANS OF COMMUNICATION:

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential. In accordance with the applicable guidelines / listing agreements with the Stock Exchanges, all information which could have a material bearing on Balaji Telefilms Limited's share price is released at the earliest.

The Company's financial results were published in Business Standard, Free Press Journal and Navshakti/Mumbai Lakshdweep (regional daily). The financial results and official news releases were displayed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com). Presentations made to the institutional investors and analysts are displayed on the Company's website.

## GENERAL SHAREHOLDER INFORMATION:

1	Date of Book Closure	August 26 to August 30, 2014 (both days inclusive).
2	Date, time and venue of the Annual General Meeting	August 30, 2014 at 3:00 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
3	Dividend payment	The Board of Directors has recommended a Dividend of ₹ 0.40 per equity share for the year ended March 31, 2014. The final dividend will be paid within the stipulated number of days once it is approved at the Annual General Meeting.
4	Listing on Stock Exchanges	<ol style="list-style-type: none"><li>1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 (Stock Code – 532382)</li><li>2. National Stock Exchange of India Limited, Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91-22-26598235/36 Fax: +91-22-26598237/38 (Stock Code – BALAJITELE)</li></ol>
5	ISIN	INE794B01026
6	Listing Fees	Paid for both the above Stock Exchanges as per listing agreements
7	Listing on Stock Exchanges outside India	Not applicable
8	Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 Web site: <a href="http://www.balajitelefilms.com">www.balajitelefilms.com</a>
9	Share transfers in physical, communication regarding share certificates, dividends, change in address etc. may be addressed to	Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Unit: Balaji Telefilms Limited Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Tel: +91-40-23420815-820, Fax: +91-40-23420814 Email: <a href="mailto:mailmanager@karvy.com">mailmanager@karvy.com</a>

# CORPORATE GOVERNANCE REPORT (Contd.)

## 10. Share Transfer System

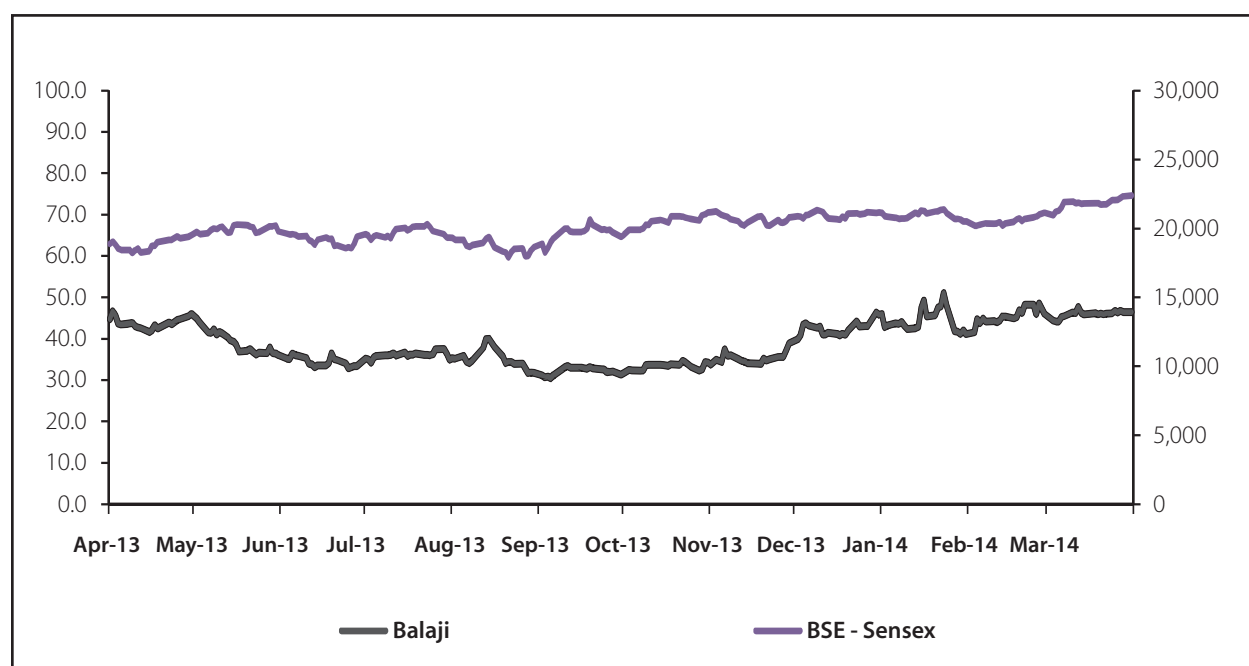
Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Stakeholders Relationship Committee meets as often as required. There were no transactions in transfers of shares in physical form during the year 2013-2014 and no share transfer pending as on March 31, 2014.

## 11. Stock Market Data relating to Shares listed in India

The Company's shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, since November 22, 2000. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	47.80	40.40	4,46,181	49.10	40.00	13,05,630
May	46.50	35.25	9,31,015	46.05	35.65	22,65,730
June	37.40	32.55	6,55,241	37.20	32.90	10,12,683
July	38.85	33.35	2,74,244	38.65	33.80	8,10,436
August	42.80	29.90	7,86,133	41.45	29.50	15,63,677
September	34.60	30.00	5,03,060	33.95	29.95	12,57,875
October	37.00	31.40	8,37,189	36.90	30.80	17,90,057
November	39.95	33.25	11,89,153	38.80	33.30	25,02,756
December	48.45	39.05	14,16,182	47.35	37.65	43,02,377
January	51.40	38.45	25,49,515	51.35	38.50	72,26,639
February	49.70	40.80	14,50,743	49.00	40.30	42,59,845
March	48.65	43.35	16,33,418	49.00	43.40	35,50,842

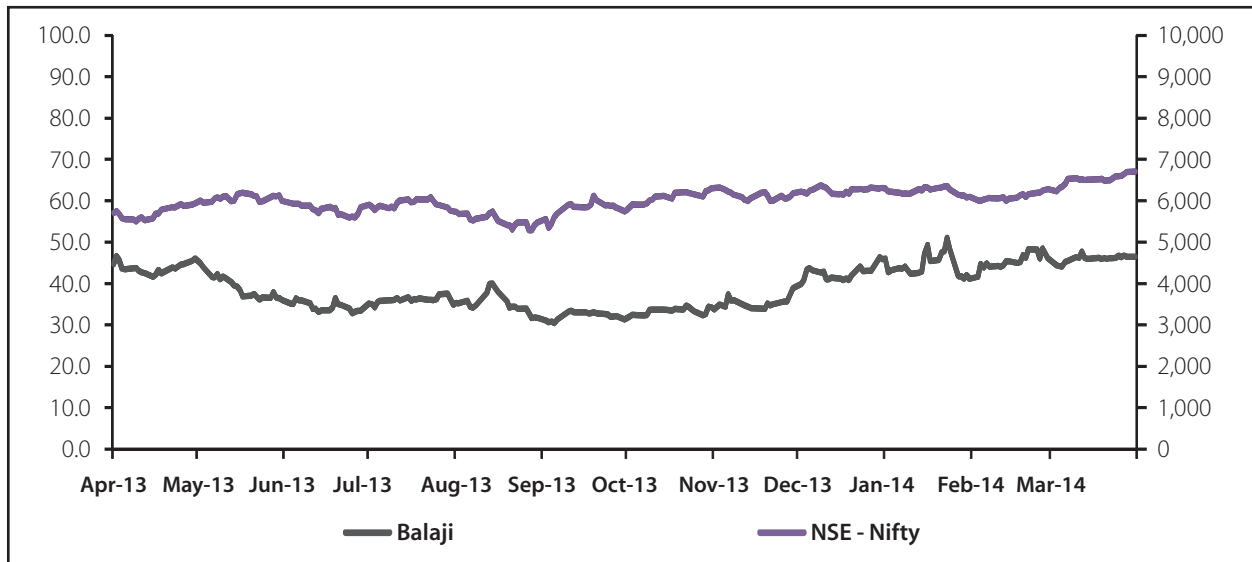
The performance of Balaji Telefilms Limited's equity shares relative to the BSE Sensitive Index (Sensex) is given in the chart below:





## CORPORATE GOVERNANCE REPORT (Contd.)

The performance of Balaji Telefilms Limited's equity shares relative to the NSE Index (Nifty) is given in the chart below:



### FACT SHEET

Items	2013-14	2012-13
Earnings per share (₹)	1.54	2.04
EPS – Fully diluted (₹)	1.54	2.04
Dividend per share (₹)	0.40	0.40
Number of shares	6,52,10,443	6,52,10,443
Share price data (₹)		
High	51.40	63.90
Low	29.50	32.70
Closing	43.35	40.00

#### 12. Investor Service – Complaints Received During the year

Nature of Complaints	Year ended March 31, 2014	
	Received	Disposed
Non Receipt of Dividend	25	25
Non Receipt of Annual Report	8	8

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2014.

#### 13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2014

Category	No. of shares held	Percentage of shareholding
Clearing Members	1,74,486	0.27
Directors	300	0.00
Foreign Institutional Investor	3,60,000	0.55
Foreign Corporate Bodies	1,69,48,194	25.99
H U F	12,57,593	1.93
Indian Financial Institutions	4,36,330	0.67
Bodies Corporate	72,35,069	11.09
Mutual Funds	0	0.00
Non Resident Indians	6,57,914	1.01
Promoters	2,79,92,938	42.93
Resident Individuals	1,01,46,569	15.56
Trusts	1,050	0.00
<b>Grand Total</b>	<b>6,52,10,443</b>	<b>100.00</b>

# CORPORATE GOVERNANCE REPORT (Contd.)

## 14. Distribution of shareholding as on March 31, 2014

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% To Equity
Upto 1 - 5000	22909	98.56	6107211	12214422	9.37
5001 - 10000	149	0.64	1137997	2275994	1.75
10001 - 20000	78	0.34	1180973	2361946	1.81
20001 - 30000	30	0.13	725156	1450312	1.11
30001 - 40000	15	0.06	522282	1044564	0.80
40001 - 50000	12	0.05	556574	1113148	0.85
50001 - 100000	20	0.09	1496334	2992668	2.29
100001 and above	31	0.13	53483916	106967832	82.02
<b>TOTAL:</b>	<b>23244</b>	<b>100.00</b>	<b>65210443</b>	<b>130420886</b>	<b>100.00</b>

## 15. Shares under Lock-in

In accordance with SEBI Guidelines, currently no Equity Shares held by promoters are subject to lock-in.

## 16. Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

As on March 31, 2014 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

## 17. Dematerialisation of Equity Shares

The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2014 about 99.99% comprising 6,52,01,577 Equity Shares were in the dematerialised form.

## 18. Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	August, 2014
Financial reporting for 1st quarter ending 30th June, 2014	Second week August, 2014
Financial reporting for 2nd quarter ending 30th September, 2014	First week of November, 2014
Financial reporting for 3rd quarter ending 31st December, 2014	First week of February, 2015
Financial reporting for the year ended 31st March, 2015 (audited)	May, 2015
Annual General Meeting for year ended 31st March, 2015	September, 2015

## 19. Plant Locations

Not applicable

## 20. Investors' Correspondence

Investors' correspondence may be addressed to:

### Mrs. Simmi Singh Bisht

Company Secretary,  
Balaji Telefilms Limited  
C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai – 400 053.  
Tel: +91-22-40698000, Fax: +91-22-40698181/82  
Email: investor@balajitelefilms.com

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## CORPORATE GOVERNANCE REPORT (Contd.)

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Any queries relating to the financial statements of the Company be addressed to:

**Mr. Sanjay Dwivedi**

Chief Financial Officer,

Balaji Telefilms Limited

C-13, Balaji House, Dalia Industrial Estate,

Opp. Laxmi Industries, New Link Road,

Andheri (West), Mumbai – 400 053.

Tel: +91-22-40698000, Fax: +91-22-40698181/82

Email: sanjay.dwivedi@balajitelefilms.com

21. Insider Trading

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has framed code of conduct.

22. Secretarial Audit (Reconciliation of Share Capital Report)

A qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The secretarial audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

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## CERTIFICATE

### TO THE MEMBERS OF BALAJI TELEFILMS LIMITED

We have examined the compliance of conditions of Corporate Governance by Balaji Telefilms Limited for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except as stated in the section 'Board of Directors', to the Corporate Governance report of the Company, regarding the post of an Independent Director as required under sub-clause (I)(A)(ii) of clause 49 of the Listing Agreement remaining vacant as at the year-end.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm Registration No: 117366W/W-100018)

For **Snehal & Associates**

Chartered Accountants

(Firm Registration No: 110314W)

**A.B. Jani**

Partner

Membership No: 46488

Mumbai, dated: May 15, 2014

**Snehal Shah**

Proprietor

Membership No: 40016

Mumbai, dated: May 15, 2014



# INDEPENDENT AUDITORS' REPORT

## To the Members of Balaji Telefilms Limited

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Balaji Telefilms Limited (the Company) which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);
  - (e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A.B. Jani**  
Partner  
(Membership No: 46488)  
Mumbai, dated: May 15, 2014

For **Snehal & Associates**  
Chartered Accountants  
(Firm's Registration No: 110314W)

**Snehal Shah**  
Proprietor  
(Membership No: 40016)  
Mumbai, dated: May 15, 2014

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The nature of the Company's business/ activities/ results during the year are such that clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (ii) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) (a) The inventories (tapes) have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iv) (a) The Company has granted interest free unsecured loans aggregating ₹ 10,796.09 lakhs to its wholly owned subsidiaries (two) covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated ₹ 11,418.34 lakhs and the maximum amount involved during the year was ₹ 16,800.29 lakhs.
  - (b) In our opinion, the terms and conditions of the loan given are not, prima facie, prejudicial to the interests of the Company.
  - (c) According to information and explanations given to us, since there are no repayment schedules with regard to the loans given, clause (iii) (c) to (d) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - (d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii)(e) to (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- (vii) The Company has not accepted any deposit from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes, except in case of service tax which is as detailed below:

Name of Statute	Forum where dispute is pending	Nature of dues	Amount (₹ in lakhs)	Financial Year to which amount relates
Sales Tax Act	Department of Sales Tax	VAT	17,708.81	1.4.2000 to 31.3.2004
The Finance Act 1994	Office of the Commissioner of Service Tax	Service Tax	9,245.00	1.4.2006 to 31.3.2010

- (xi) The Company has no accumulated losses as at the end of the year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xii) According to the information and explanations given to us, the Company does not have any borrowings from any banks, financial institutions and debenture holders.
- (xiii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us, the Company has not taken term loans during the year.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A.B. Jani**  
Partner  
(Membership No: 46488)  
Mumbai, dated: May 15, 2014

For **Snehal & Associates**  
Chartered Accountants  
(Firm's Registration No: 110314W)

**Snehal Shah**  
Proprietor  
(Membership No: 40016)  
Mumbai, dated: May 15, 2014



# BALANCE SHEET

as at March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,304.21	1,304.21
(b) Reserves and surplus	4	41,115.60	40,418.67
		42,419.81	41,722.88
<b>2 Current liabilities</b>			
(a) Trade payables	23.5	2,141.65	2,001.39
(b) Other current liabilities	5	348.73	298.16
(c) Short-term provisions	6	331.55	314.47
		2,821.93	2,614.02
<b>TOTAL</b>		<b>45,241.74</b>	<b>44,336.90</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		2,075.23	2,592.73
(ii) Capital work-in-progress		87.56	3.15
		2,162.79	2,595.88
(b) Non-current investments	8	6,676.69	6,176.69
(c) Deferred tax assets (net)	23.13	252.77	149.06
(d) Long-term loans and advances	9	3,698.00	3,450.23
(e) Other non-current assets	10	10.59	11.73
		12,800.84	12,383.59
<b>2 Current assets</b>			
(a) Current investments	11	15,997.59	11,865.78
(b) Inventories	12	652.09	346.27
(c) Trade receivables	13	3,151.65	3,640.07
(d) Cash and cash equivalents	14	84.66	944.72
(e) Short-term loans and advances	15	11,806.41	15,001.44
(f) Other current assets	16	748.50	155.04
		32,440.90	31,953.32
<b>TOTAL</b>		<b>45,241.74</b>	<b>44,336.90</b>
<b>See accompanying notes forming part of financial statements</b>			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Snehal Shah**  
(Proprietor)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>1 Revenue</b>			
Revenue from Operations	17	13,153.69	14,085.25
<b>2 Other income</b>	18	1,789.09	1,816.81
<b>3 Total Revenue (1+2)</b>		<b>14,942.78</b>	<b>15,902.06</b>
<b>4 Expenses</b>			
(a) Cost of Production of television serials	19	10,059.66	10,919.85
(b) Employee benefits expense	20	721.90	751.78
(c) Finance costs	21	118.86	8.52
(d) Depreciation and amortization expense	7	545.38	786.37
(e) Other expenses	22	1,895.42	1,774.13
<b>Total Expenses</b>		<b>13,341.22</b>	<b>14,240.65</b>
<b>5 Profit before tax (3-4)</b>		1,601.56	1,661.41
<b>6 Tax expense:</b>			
(a) Current tax		364.17	376.24
(b) Less: MAT credit		(70.00)	-
(c) Deferred tax		(103.70)	(45.82)
(d) Short/(Excess) provision for tax in respect for earlier years		409.00	(1.97)
		599.47	328.45
<b>7 Profit for the year (5-6)</b>		<b>1,002.09</b>	<b>1,332.96</b>
<b>8 Earnings per share (of ₹ 2/- each):</b>	23.12		
Basic and diluted earnings per share		1.54	2.04
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

# CASH FLOW STATEMENT

for the year ended March 31, 2014

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	1,601.56	1,661.41
<b>Adjustments for:</b>		
Depreciation	545.38	786.37
Bad debts written off	-	95.43
Provision for doubtful debts and advances	169.72	13.00
Loss / (Profit) on sale / discard of fixed assets(net)	2.68	(14.49)
Dividend / profit on sale of long term investments (non-trade) (net)	(1,104.30)	(1,384.68)
Provision for earlier years written back (net)	-	(241.95)
Provision for doubtful debts written back	-	(78.69)
Interest income on Fixed Deposits	(9.00)	(17.38)
Operating profit before working capital changes	1,206.04	819.03
<b>Adjustments for:</b>		
(Increase) in trade and other receivable	(372.24)	(74.38)
(Increase) / Decrease in inventories	(305.82)	338.90
Increase / (Decrease) in trade payables and other payables	432.79	(116.80)
Cash generated from operations	960.77	966.74
Income-tax refund received / (paid)	(991.51)	1,212.86
<b>NET CASH (USED IN)/ FROM OPERATING ACTIVITIES (A)</b>	<b>(30.74)</b>	<b>2,179.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(116.85)	(147.97)
Sale of fixed assets	1.87	18.01
Purchase of current investments	(19,085.17)	(14,934.98)
Sale of current investments	16,005.75	25,450.10
Optionally Convertible Debentures allotted	-	(605.85)
Optionally Convertible Debentures redeemed	-	1,098.84
Investment in Trust / Limited Liability Partnership	(500.00)	(1,905.38)
Investment in Subsidiary	-	(5.00)
Loans given to subsidiaries	(10,796.09)	(13,241.94)
Loans repaid by subsidiaries	14,022.72	2,661.76
Bank Balance not considered as cash and cash equivalents (Refer Note 14)	(48.45)	(19.61)
Interest income	5.21	17.38
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(511.01)</b>	<b>(1,614.63)</b>



# CASH FLOW STATEMENT (Contd.)

for the year ended March 31, 2014

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid (net of movement of unpaid dividend account)	(260.84)	(130.93)
Corporate dividend tax paid	(44.33)	(21.16)
<b>NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(305.17)</b>	<b>(152.09)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(846.92)</b>	<b>412.89</b>
Cash and cash equivalents at the beginning of the year	883.13	470.24
<b>Cash and cash equivalents at the end of the year</b>	<b>36.21</b>	<b>883.13</b>
<b>See accompanying notes forming part of the financial statements.</b>		

**Note:**

(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 14).

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>(ii) Cash and cash equivalents at the end of the year as per cashflow statement</b>	36.21	883.13
- Unpaid dividend accounts	7.47	7.67
- Fixed deposits kept in lien against bank guarantee	40.98	53.92
<b>Cash and cash equivalents at the end of the year as per Note 14</b>	<b>84.66</b>	<b>944.72</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Simmi Singh Bisht**  
(Company Secretary)

Place : Mumbai  
Date : May 15, 2014

**Sanjay Dwivedi**  
(Chief Financial Officer)

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# NOTES

## forming part of the financial statements

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### NOTE 1 CORPORATE INFORMATION

Balaji Telefilms Limited was incorporated on November 10, 1994 under the Companies Act, 1956. The Company has established itself as a leader in television content in India particularly for Hindi language content and has also successfully ventured in the regional television content market and event business.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

#### Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of the revenue and expenses during the reported year. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialize.

#### Fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation / amortisation and impairment loss, if any.

#### Depreciation / Amortisation

Depreciation on fixed assets is provided on straight line basis in accordance with provisions 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 which are depreciated as per management estimates of their useful life which are as under:

Studios and Sets @ 33.33%

Leasehold improvements are amortised over the period of lease

#### Impairment loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### Investments

Current investments are carried at lower of cost and 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.

#### 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

- a) In respect of sponsored programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast.
- b) In respect of commissioned programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast on broadcasting channels.

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

#### Employee benefits

- a) Post employment benefits and other long term benefits

- i) Defined Contribution Plans:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

- ii) Defined Benefit Plans:

The trustees of Balaji Telefilms Limited Employees Group Gratuity Scheme have taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit Method'. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the statement of profit and loss.

# NOTES

## forming part of the financial statements

b) Short Term Employee Benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### 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 expense.

### Borrowing costs

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

### Operating leases

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses in accordance with the respective lease agreements.

### Taxes on income

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty, that sufficient future income will be available except that the deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

### Provisions and Contingencies

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.



# NOTES

forming part of the financial statements

## NOTE 3 SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Authorised		
75,000,000 Equity Shares of ₹ 2/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
(b) Issued, Subscribed and fully paid-up		
65,210,443 Equity Shares of ₹ 2/- each	1,304.21	1,304.21
<b>TOTAL</b>	<b>1,304.21</b>	<b>1,304.21</b>

### Notes :

(i) Details of Equity Shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	16,948,194	25.99	16,948,194	25.99
Ekta Kapoor	13,572,704	20.81	10,668,188	16.36
Shobha Kapoor	9,129,462	14.00	10,037,500	15.39
Jeetendra Kapoor	3,260,522	5.00	4,392,000	6.74

(ii) All the above Equity Shares have the same rights to dividend, voting and in case of repayment of Capital.

## NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Securities premium account		
As per last Balance Sheet	14,785.61	14,785.61
(b) General reserve		
As per last Balance Sheet	4,910.17	4,776.87
Add: Transferred from surplus in Statement of Profit and Loss	100.21	133.30
	<b>5,010.38</b>	<b>4,910.17</b>
(c) Surplus in Statement of Profit and Loss		
Opening balance	20,722.90	19,828.40
Add: Profit for the year	1,002.09	1,332.96
Less : Dividends proposed to be distributed to equity shareholders	260.84	260.84
(Current year ₹0.40 per share (Previous year ₹0.40 per share))		
Tax on dividend	44.33	44.33
Transferred to General reserve	100.21	133.30
Closing balance	<b>21,319.61</b>	<b>20,722.90</b>
<b>TOTAL</b>	<b>41,115.60</b>	<b>40,418.67</b>

# NOTES

forming part of the financial statements

## NOTE 5 OTHER CURRENT LIABILITIES

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Unpaid dividends (Refer Note below)	7.47	7.67
(b) Temporarily overdrawn book balances	167.11	-
(c) Other payables		
(i) Statutory liabilities	93.19	130.87
(ii) Advances from customers	80.96	159.62
<b>TOTAL</b>	<b>348.73</b>	<b>298.16</b>

### Note

Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due.

## NOTE 6 SHORT-TERM PROVISIONS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Provision - Others:		
(i) Provision for tax (net of advance tax ₹103.31 (As at March 31, 2013 ₹ NIL))"	26.38	9.30
(ii) Provision for proposed equity dividend	260.84	260.84
(iii) Provision for tax on proposed dividend	44.33	44.33
<b>TOTAL</b>	<b>331.55</b>	<b>314.47</b>

# NOTES

forming part of the financial statements

## NOTE 7 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 01, 2013	Additions	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	On Deductions	Upto March 31, 2014	As at March 31, 2014
<b>Tangible assets</b>									
Buildings (refer note a below)	469.36 (469.36)	-	-	469.36 (469.36)	65.44 (57.79)	7.65 (7.65)	-	73.09 (65.44)	396.27 (403.92)
Plant and machinery - Computers	631.54 (610.24)	1.07 (21.50)	- (0.20)	632.61 (631.45)	510.55 (439.00)	58.53 (71.74)	- (0.19)	569.08 (510.55)	63.53 (120.99)
Plant and machinery - Others	2,200.51 (2,191.86)	0.86 (9.10)	- (0.45)	2,201.37 (2,200.51)	1,364.75 (1,212.42)	152.59 (152.68)	- (0.35)	1,517.34 (1,364.75)	684.03 (835.76)
Computers	390.69 (394.41)	6.65 (1.89)	- (5.61)	397.34 (390.69)	344.28 (332.36)	15.31 (15.03)	- (3.11)	359.59 (344.28)	37.75 (46.41)
Studios and sets	4,716.84 (4,639.68)	17.29 (77.16)	- (-)	4,734.13 (4,716.84)	4,471.53 (4,109.21)	169.62 (362.32)	- (-)	4,641.15 (4,471.53)	92.98 (245.31)
Vehicles	822.35 (761.82)	- (100.98)	10.39 (40.45)	811.96 (822.35)	354.47 (322.77)	71.57 (72.15)	6.20 (40.45)	419.84 (354.47)	392.12 (467.88)
Furniture and fixtures	304.23 (303.71)	- (0.52)	0.38 (-)	303.85 (304.23)	156.29 (137.24)	19.06 (19.05)	0.28 (-)	175.07 (156.29)	128.78 (147.94)
Office equipments	327.43 (326.89)	6.56 (1.60)	0.43 (1.06)	333.56 (327.43)	100.49 (85.14)	15.66 (15.58)	0.17 (0.23)	115.98 (100.49)	217.58 (226.94)
Electrical fittings	89.68 (87.70)	- (1.98)	- (-)	89.68 (89.68)	23.32 (19.14)	4.22 (4.18)	- (-)	27.54 (23.32)	62.14 (66.36)
Lease Hold Improvements	386.41 (386.41)	- (-)	- (-)	386.41 (386.41)	355.19 (289.20)	31.17 (65.99)	- (-)	386.36 (355.19)	0.05 (31.22)
<b>TOTAL</b>	<b>10,339.04</b> <b>(10,172.08)</b>	<b>32.43</b> <b>(214.73)</b>	<b>11.20</b> <b>(47.77)</b>	<b>10,360.27</b> <b>(10,339.05)</b>	<b>7,746.31</b> <b>(7,004.27)</b>	<b>545.38</b> <b>(786.37)</b>	<b>6.65</b> <b>(44.33)</b>	<b>8,285.04</b> <b>(7,746.31)</b>	<b>2,075.23</b> <b>(2,592.73)</b>

### Notes

- Building includes ₹ 220.86 lacs (previous year ₹ 220.86 lacs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹ 0.01 lac received under Bye-law of the society.
- Figures in brackets denote previous year figures

# NOTES

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## NOTE 8 NON-CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ in Lakhs	
	As at March 31, 2014 Unquoted	As at March 31, 2013 Unquoted
(Non-trade) (At cost):		
(a) Investment in fully paid-up Equity Shares of wholly owned subsidiaries (Refer Note 23.6)		
30,000,000 (Previous Year 30,000,000) Equity Shares of ₹10/- each in Balaji Motion Pictures Limited	3,000.00	3,000.00
50,000 (Previous Year 50,000) Equity Shares of ₹10/- each in Bolt Media Limited	5.00	5.00
(b) Investment in optionally convertible debentures (OCDs) of:		
(i) Aristo Learning Private Limited		
Series A 3,000 (Previous year 3,000) Debentures of ₹100 each	3.00	3.00
Series B 62,810 (Previous year 62,810) Debentures of ₹100 each	62.81	62.81
(ii) Second School Learning Private Limited		
Series A 1,000 (Previous year 1,000) Debentures of ₹100 each	1.00	1.00
Series B 399,000 (Previous year 399,000) Debentures of ₹100 each	399.00	399.00
	465.81	465.81
(c) Investment in Associate (Refer Note 23.16)		
(i) IPB Capital Advisors LLP	0.50	0.50
(d) Investment in Indus Balaji Investor Trust (Refer Note 23.1 B)		
(i) 3,200,000 (Previous year 2,700,000) Class A units of ₹100 each	3,200.00	2,700.00
(ii) 5,000 (Previous year 5,000) Class B units of ₹100 each	5.00	5.00
	3,205.00	2,705.00
(e) Investment in Limited Liability Partnership (Refer Note 23.16)		
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38
<b>TOTAL</b>	<b>6,676.69</b>	<b>6,176.69</b>

## NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Capital Advances	-	8.13
(b) Security Deposits		
Considered good	728.02	777.54
Considered doubtful	46.66	-
	774.68	777.54
Less: Provision	46.66	-
	728.02	777.54
(c) Loan to Balaji Employees Foundation Trust	1,000.00	1,000.00
(d) Advance income-tax (Net of provisions ₹1,261.24 lacs. (As at March 31, 2013 ₹6,12.82 lacs))	1,899.98	1,664.55
(e) MAT credit entitlement	70.00	-
<b>TOTAL</b>	<b>3,698.00</b>	<b>3,450.23</b>

### Note:

Security Deposits include deposits given to three of the Directors for the properties taken on lease from them (also refer note 23.8 (b))

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Amount outstanding as at the year-end	640.00	640.00
Maximum amount outstanding at any time during the year for the above deposits	640.00	846.60



# NOTES

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## NOTE 10 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

₹ in Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Fixed deposits with banks under lien	9.94	10.61
(b) Interest accrued on fixed deposits with banks under lien	0.65	1.12
<b>TOTAL</b>	<b>10.59</b>	<b>11.73</b>

## NOTE 11 CURRENT INVESTMENTS (UNQUOTED)

₹ in Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(Non trade) (at lower of cost and fair value) :		
Investment in mutual funds (Refer note below)	15,997.59	11,865.78
<b>TOTAL</b>	<b>15,997.59</b>	<b>11,865.78</b>

₹ in Lakhs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>IN UNITS OF MUTUAL FUNDS</b>					
Kotak Gilt (Investment Regular)- Growth	10	765,716.33	765,716.33	300.00	300.00
Kotak Floater Long Term- Growth	10	5,127,994.75	-	1,000.00	-
Kotak Floater Long Term - Daily Dividend Reinvestment	10	2,127,114.35	-	215.28	-
Kotak Bond Scheme Plan A- Growth	10	2,433,948.34	2,433,948.34	795.00	795.00
Reliance Liquidity Fund	10	199.55	-	2.00	-
Reliance Dynamic Bond Fund- Growth Plan	10	4,516,358.50	2,655,136.71	700.06	400.00
Reliance Regular Savings Fund - Debt Plan-Growth Plan	10	2,467,323.76	-	400.00	-
SBI Dynamic Bond Fund- Growth	10	3,205,349.38	3,205,349.38	450.00	450.00
SBI Magnum Income Fund- Regular Plan- Growth	10	1,731,667.70	1,731,667.70	500.00	500.00
SBI Magnum Income Fund -FR Savings Plus Bond- Regular Plan-Growth	10	2,607,915.55	-	500.00	-
Templeton India Short term Income Retail Plan Growth	1000	34,180.18	21,584.28	800.00	500.00
Templeton India Ultra Short Bond -Super Institutional	10	2,122,215.27	-	201.98	-
UTI Short Term Income Fund Institutional - Growth Option	10	6,850,451.70	-	1,000.00	-
UTI Floating Rate Fund-STP-Regular Plan	10	50,285.44	-	1,000.00	-
UTI-BOND Fund-Growth	10	834,680.86	-	300.16	-
UTI Short Term Income Fund - Growth Option	10	-	7,913,388.24	-	1,000.00

# NOTES

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## NOTE 11 CURRENT INVESTMENTS (CONTD.)

₹ in Lakhs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>IN UNITS OF MUTUAL FUNDS</b>					
Birla Sunlife Dynamic Bond Fund - Retail	10	682,155.27	11,949,294.76	121.73	2,052.80
Birla Sun Life Fixed Plan Series ED Growth	10	5,025,936.00	5,025,936.00	502.59	502.59
Birla Sunlife Floating Rate Fund	10	408,288.81	-	600.00	-
Birla Sun Life Cash Manager	10	299,373.27	-	300.25	-
Birla Sunlife Income Plus	10	1,433,761.59	-	774.67	-
Birla Sunlife-Short Term Opportunities Fund	10	2,520,351.84	-	500.00	-
DWS Treasury Fund -Invt-Regular Plan- Daily Dividend-Reinvestment	10	543,606.12	-	55.67	-
HDFC Income Fund- Growth	10	2,606,804.51	2,606,804.51	700.00	700.00
HDFC High Interest Fund -Dynamic Plan-Growth	10	2,212,477.05	-	900.00	-
HDFC FMP 371D July 2013-Series 26- Regular-Growth	10	4,000,000.00	-	400.00	-
ICICI Prudential FMP Series 60 - 18 Months Plan G Cumulative	10	-	9,723,877.00	-	972.39
ICICI Prudential Short Term Plan - Institutional Growth	10	-	2,298,634.61	-	500.00
ICICI Prudential FMP Series 61 - 18 Months Plan B - Cumulative	10	-	10,000,000.00	-	1,000.00
ICICI Prudential Gilt Fund Investment Plan PF Option	10	1,131,827.93	1,131,827.93	245.00	245.00
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	10	1,723,311.93	1,723,311.93	500.00	500.00
ICICI Prudential Income-Regular Plan- Growth	10	769,546.48	-	287.68	-
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	10	3,985,329.61	-	403.01	-
ICICI Prudential Regular Savings Fund-Regular Plan-Growth	10	1,601,281.03	-	200.00	-
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	10	2,864,317.29	-	300.00	-
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	10	4,000,000.00	-	400.00	-
ICICI Prudential Flexible Income-Regular Plan-Weekly dividend	100	6,362.21	-	6.36	-
ICICI Prudential Liquid -Regular Plan-Daily Dividend	100	7,978.25	-	9.93	-
IDFC Banking Debt Fund	10	262,251.01	-	26.22	-
IDFC Dynamic Bond Fund Growth -Regular Plan	10	2,806,807.69	-	400.00	-
IDFC Super Saver Income Fund-Invt Plan- Growth	10	688,482.38	-	200.00	-
IDFC Dynamic Bond Fund Plan B-Growth	10	-	4,082,603.58	-	545.00
IDFC Super Saver Income Fund - Short Term - Plan A Growth	10	-	4,200,978.45	-	903.00
<b>TOTAL</b>				<b>15,997.59</b>	<b>11,865.78</b>

# NOTES

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## NOTE 12 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
a) Serials	652.09	341.98
b) Tapes	-	4.29
<b>Total</b>	<b>652.09</b>	<b>346.27</b>

## NOTE 13 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	189.55	284.66
Considered doubtful	176.06	53.00
	365.61	337.66
Less: Provision	176.06	53.00
	189.55	284.66
Other Trade receivables		
Considered good	2,962.10	3,355.41
<b>TOTAL</b>	<b>3,151.65</b>	<b>3,640.07</b>

## NOTE 14 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	22.28	20.38
(b) Balances with banks		
(i) In current accounts	13.93	715.52
(ii) In deposit accounts	-	147.23
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.47	7.67
- Fixed deposits kept in lien against bank guarantee	40.98	53.92
<b>TOTAL</b>	<b>84.66</b>	<b>944.72</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	36.21	883.13

# NOTES

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## NOTE 15 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to subsidiary companies (Refer Note 23.6 and 23.7)	11,418.34	14,644.97
(b) Loans and advances to employees	2.46	4.30
(c) Prepaid expenses	65.30	112.11
(d) Balances with government authorities (VAT, service tax, etc)	193.75	54.37
(e) Advance to vendors	126.56	185.69
<b>TOTAL</b>	<b>11,806.41</b>	<b>15,001.44</b>

### Note

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Maximum amount outstanding for loans and advances given to subsidiary at any time during the year	16,800.29	14,719.05

## NOTE 16 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Unbilled revenue	745.36	140.00
Interest accrued on fixed deposits with banks- under lien	3.14	15.04
<b>Total</b>	<b>748.50</b>	<b>155.04</b>

## NOTE 17 REVENUE FROM OPERATIONS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Sale of services		
Commissioned Sales	12,913.08	13,124.58
Sponsored Sales	-	374.69
Internet Sales	7.33	1.98
(b) Other operating revenues		
Sale of Scrap	0.27	0.47
Excess provision for earlier years written back	-	217.12
Facilities hire charges	142.35	157.41
Service income	90.66	130.31
Provision for doubtful debts / advances written back	-	78.69
<b>TOTAL</b>	<b>13,153.69</b>	<b>14,085.25</b>



# NOTES

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## NOTE 18 OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest income		
On fixed deposits with banks	9.00	17.38
On Income tax Refund	-	320.52
(b) Profit on sale of current investments (non-trade) (net)	1,019.13	1,384.68
(c) Dividend on current investments	85.17	-
(d) Excess provision for gratuity written back	-	24.83
(e) Profit on sale of fixed assets (net)	-	14.49
(f) Insurance claim received (Includes ₹ 673.00 lacs (Previous Year NIL) on maturity of Keyman Insurance policy)	673.60	50.21
(g) Miscellaneous income	2.19	4.70
<b>TOTAL</b>	<b>1,789.09</b>	<b>1,816.81</b>

## NOTE 19 COST OF PRODUCTION OF TELEVISION SERIALS

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock of television serials / tapes	346.27	685.17
<b>Add: Cost of production</b>		
Purchase of costumes and dresses	89.87	111.66
Purchase of tapes	30.74	45.04
Artists, Directors and other technicians	6,180.58	6,593.68
Shooting and location expenses (Refer Note 23.14)	2,111.60	2,152.81
Telecasting fees / purchase of rights	228.92	224.68
Uplinking charges	119.76	87.25
Set properties and equipment hire charges	403.30	459.21
Other production expenses	1,200.73	906.62
	10,365.50	10,580.95
	10,711.77	11,266.12
Less: Closing stock of television serials / tapes	652.09	346.27
<b>TOTAL</b>	<b>10,059.66</b>	<b>10,919.85</b>

# NOTES

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## NOTE 20 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	657.36	684.02
Contributions to Provident and Other Funds	35.81	43.80
Staff welfare expenses	28.73	23.96
<b>TOTAL</b>	<b>721.90</b>	<b>751.78</b>

## NOTE 21 FINANCE COSTS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest expense on delayed payment of taxes etc.	118.86	8.52
<b>TOTAL</b>	<b>118.86</b>	<b>8.52</b>

## NOTE 22 OTHER EXPENSES

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and fuel	156.90	113.91
Rent including lease rentals (Refer Note 23.14)	65.13	93.60
Repairs and maintenance - Machinery	30.40	42.21
Repairs and maintenance - Others	261.94	113.49
Insurance	63.14	134.65
Rates and taxes	90.56	37.23
Communication expenses	22.95	55.00
Legal and professional charges	682.42	552.54
Security and housekeeping expenses	86.58	49.73
Business promotion expenses	20.43	45.96
Travelling and conveyance Expenses	62.84	159.21
Donations and contributions	50.20	8.73
Loss on fixed assets sold/scrapped/written off	2.68	-
Provision for doubtful debts and advances	169.72	13.00
Bad debts written off	-	95.43
Software expenses	6.95	22.31
Foreign exchange (loss) net	-	0.11
Directors sitting fees	3.27	3.30
Brokerage and commission	-	0.18
Marketing Expenses	6.55	18.75
Miscellaneous expenses *	112.76	214.79
<b>TOTAL</b>	<b>1,895.42</b>	<b>1,774.13</b>

\* Miscellaneous expenses include security charges, printing and stationery etc.

## NOTES

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

		₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>23.1 Contingent liabilities and commitments (to the extent not provided for)</b>			
<b>A Contingent Liabilities</b>			
a)	In respect of the demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation), the Company has arrived at a one-time settlement with the Corporation by making a payment of ₹ 200.00 lacs as telecast fees which has been accounted for as an expense in the current year. As per the terms of the settlement, the balance outstanding of ₹557.20 lacs would be settled by way of supply of various old regional television content. The Company has submitted the required content to the Corporation, the approval for which is being received by the Company in a phased manner. As a result, the Company does not expect any charge in the financial statements on receipt of entire approvals from the Corporation for the balance outstanding.	557.20	757.20
b)	The Company in earlier years had received notices of demand from the Department of Sales Tax, Government of Maharashtra, aggregating to ₹17,107.87 lakhs (including interest and penalty) pertaining to the years 2000 to 2004. The Company has appealed against the said orders with the Deputy Commissioner (Appeals) and the same is pending adjudication. Further in the current year, the sales tax authorities have levied an additional sales tax demand (including penalty and interest) under the Bombay Sales Tax Act aggregating of ₹515.44 lacs and under Works Contract Act aggregating to ₹85.50 lacs for the year 2004-05. The Company is contesting these additional claims by filing appeals with the respective appellate authorities. Further, the Company has also been assessed for the years 2006-2007 and 2009-2010 under the above statutes where the matters contained in the aforesaid demand orders have been accepted by the authorities.	17,708.81	17,107.87
c)	The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal to the Commissioner of Service Tax, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company, wherein the demand amount was ₹ 63.48 Crs. The Commissioner has further filed an appeal against the said order with the Customs, Excise & Service Tax Appellate Tribunal. The matter is pending hearing. On the same matter, a Show Cause Notice (SCN) for the period April 2008 to March 2010 has been issued with demand amount of ₹ 28.97 Crs. SCN is pending for adjudication with the Commissioner of Service Tax.	9,245.00	9,245.00
d)	The Company had received demand notice from the Office of the Commissioner of Service Tax, Mumbai pertaining to Service Tax for the period April 2006 to March 2009 on certain transactions. The Company has contested these claims and a hearing was granted to the Company. However, the Commissioner passed an adverse order confirming the tax demand and levied interest and penalty. The Company had filed an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the demand. The CESTAT has remanded the matter back to the adjudicating authority for consideration of the issue afresh. The adjudicating authority has not granted any hearing yet.	-	92.91

## NOTES

forming part of the financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
e) The Company has received an order from the Chief Executive Officer (CEO)/ Collector towards lease rent and other related charges for use of facilities of Aarey Milk Colony (Aarey). The Company has contested these claims and has also filed a Writ Petition in the Bombay High Court. However, Bombay High Court while admitting the Writ Petition, called upon the Company to pay the amount to Aarey. The Company filed an appeal in the Supreme Court against the Order of the Bombay High Court. However, the Supreme Court directed the Company to pay the entire amount by June 7, 2013 and referred the matter to the Bombay High Court for adjudication. The Company has made a payment of ₹ 213.64 lacs towards the outstanding amount due to Aarey and also carried out the repair works of the godowns amounting to ₹ 35.83 lacs to their full satisfaction. Accordingly, The Chief Executive Officer, Aarey Milk Colony vide a letter dated 28/01/2014 confirmed that no amount is due from the Company.	-	287.35
<b>B Commitments :</b>		
Future commitments towards capital contribution in Indus Balaji Investor Trust	<b>800.00</b>	<b>1,300.00</b>

**23.2** The Company had 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. Since, the Commissioner of Sales Tax did not decide the said application which was filed under the process of Determination of Disputed Questions (DDQ), the Company filed a Writ Petition before Honourable Bombay High Court for necessary direction. The Honorable Bombay High Court passed an Order on July 9, 2013 directing the Department to decide on the DDQ application of the Company. Pursuant to the directions of the Honorable Bombay High Court Order, the Department passed an Order on September 26, 2013. The Order states that since the Company has been already assessed on the subject for these years and the Company had already filed appeals against the said assessment orders, the application for DDQ is not maintainable and the Company is allowed to follow the normal process of appeal against these assessment orders. Refer note 23.1(A)(b).

**23.3** On April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company has received notices under section 153A of Income-tax Act, 1961 and the Company has complied with the requirements of the said notices. Since the proceedings are pending completion, the tax liability, if any, would be ascertained and provided on the completion of the assessments under these proceedings.

#### 23.4 AUDITORS REMUNERATION

Particulars	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
For Statutory Audit	17.00	17.00
For Tax Audit	1.00	1.00
For Taxation matters	2.50	2.50
For other services	6.30	6.30
Reimbursement of expenses	0.37	0.61
For service tax	3.36	3.39
<b>TOTAL</b>	<b>30.53</b>	<b>30.80</b>



# NOTES

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### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

**23.5** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

**23.6** The Company has investments in 30,000,000 and 50,000 equity shares of its 100% subsidiaries, namely Balaji Motion Pictures Limited (BMPL) and Bolt Media Limited (BML) aggregating to ₹ 3,000 lacs and ₹ 5 lacs respectively. Further, the Company has also given loan and advances aggregating to ₹ 10,965.37 Lacs (previous year ₹ 14,571.84 Lacs) to BMPL and ₹ 452.97 Lacs (previous year ₹ 73.13 Lacs) to BML. As per the latest audited balance sheet of BMPL and BML for the year ended March 31, 2014, the accumulated losses have fully eroded the net-worth of the respective companies. However, no provision for diminution in the value of the investments is considered necessary as the investments are strategic long term investments and the diminution in the value is temporary in nature.

### 23.7 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries and associates :

Name of the party	Relationship	₹ in Lakhs	
		Amount outstanding as at March 31, 2014	Maximum balance outstanding during the year
Balaji Motion Pictures Limited	100% Subsidiary	10,965.37 (14,571.84)	16,347.32 (14,645.92)
Bolt Media Limited	100% Subsidiary	452.97 (73.13)	452.97 (73.13)
IPB Capital Advisors LLP	Associate	0.50 (0.50)	0.50 (0.50)

Note: Figures in bracket relate to the previous year

### 23.8 Related Party Transactions

#### (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	Key management person
Mr. Ramesh Sippy	Relative of Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence
IPB Capital Advisors LLP	Associate
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)

# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Associate	₹ in Lakhs
						Total
<b>Loans given</b>						
Balaji Motion Pictures Limited	10,316.23	-	-	-	-	10,316.23
	(13,241.94)	(-)	(-)	(-)	(-)	(13,241.94)
Bolt Media Limited	479.86	-	-	-	-	479.86
	(73.13)	(-)	(-)	(-)	(-)	(73.13)
<b>Directors sitting fees</b>						
Mr. Jeetendra Kapoor	-	0.60	-	-	-	0.60
	(-)	(0.60)	(-)	(-)	(-)	(0.60)
Mr. Tusshar Kapoor	-	0.60	-	-	-	0.60
	(-)	(0.45)	(-)	(-)	(-)	(0.45)
<b>Production Expense</b>						
Bolt Media Limited	40.00	-	-	-	-	40.00
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Rent paid</b>						
Mr. Jeetendra Kapoor	-	29.34	-	-	-	29.34
	(-)	(42.85)	(-)	(-)	(-)	(42.85)
Mrs. Shobha Kapoor	-	723.67	-	-	-	723.67
	(-)	(681.35)	(-)	(-)	(-)	(681.35)
Mr. Tusshar Kapoor	-	11.03	-	-	-	11.03
	(-)	(10.40)	(-)	(-)	(-)	(10.40)
Ms. Ekta Kapoor	-	-	-	-	-	-
	(-)	(8.83)	(-)	(-)	(-)	(8.83)
<b>Location Hire</b>						
Balaji Films & Telly Investments Limited	-	-	-	91.24	-	91.24
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Rent Received</b>						
Balaji Motion Pictures Limited	12.00	-	-	-	-	12.00
	(0.90)	(-)	(-)	(-)	(-)	(0.90)
<b>Loans Recovered/ Adjusted</b>						
Balaji Motion Pictures Limited	13,922.70	-	-	-	-	13,922.70
	(2,661.76)	(-)	(-)	(-)	(-)	(2,661.76)
Bolt Media Limited	100.02	-	-	-	-	100.02
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Deposit paid</b>						
Mr. Jeetendra Kapoor	-	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor	-	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Balaji Motion Pictures Limited	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Remuneration</b>						
Mrs. Shobha Kapoor	-	110.12	-	-	-	110.12
	(-)	(110.12)	(-)	(-)	(-)	(110.12)
Ms. Ekta Kapoor upto August 31st 2013	-	51.25	-	-	-	51.25
	(-)	(132.31)	(-)	(-)	(-)	(132.31)
<b>Dividend paid</b>						
Mrs. Shobha Kapoor	-	40.15	-	-	-	40.15
	(-)	(20.08)	(-)	(-)	(-)	(20.08)
Ms. Ekta Kapoor	-	42.67	-	-	-	42.67
	(-)	(21.00)	(-)	(-)	(-)	(21.00)
Mr. Jeetendra Kapoor	-	17.57	-	-	-	17.57
	(-)	(8.78)	(-)	(-)	(-)	(8.78)
Mr. Tusshar Kapoor	-	8.12	-	-	-	8.12
	(-)	(4.06)	(-)	(-)	(-)	(4.06)
Mr. Ramesh Sippy	-	-	0.01	-	-	0.01
	(-)	(-)	(0.01)	(-)	(-)	(0.01)

# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

Nature of Transactions	Subsidiary Company	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Associate	₹ in Lakhs
						Total
<b>Investment made in Associates</b>						
IPB Capital Advisors LLP	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Investment made in Subsidiary</b>						
Bolt Media Limited	-	-	-	-	-	-
	(5.00)	(-)	(-)	(-)	(-)	(5.00)
<b>Amount receivable as at March 31, 2014</b>						
Mrs. Shobha Kapoor *	-	340.00	-	-	-	340.00
	(-)	(340.00)	(-)	(-)	(-)	(340.00)
Mr. Jeetendra Kapoor *	-	200.00	-	-	-	200.00
	(-)	(200.00)	(-)	(-)	(-)	(200.00)
Mr. Tusshar Kapoor *	-	100.00	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Balaji Motion Pictures Limited	10,965.37	-	-	-	-	10,965.37
	(14,572.45)	(-)	(-)	(-)	(-)	(14,572.45)
Bolt Media Limited	452.97	-	-	-	-	452.97
	(73.13)	(-)	(-)	(-)	(-)	(73.13)
<b>Amount payable as at March 31, 2014</b>						
Balaji Motion Pictures Limited	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Balaji Films & Telly Investments Limited	-	-	-	10.44	-	10.44
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Investment as on March 31, 2014</b>						
IPB Capital Advisors LLP	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(0.50)	(0.50)

\* - Deposit for leased property

### Note

- There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
- Figures in bracket relate to the previous year.

### 23.9 Expenditure in foreign currency

	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Travelling expenses	-	23.47
Other production expenses	-	22.04

### 23.10 Amounts remitted in foreign currency during the year on account of dividend

	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Amount of dividend remitted in foreign currency (₹ in Lacs)	67.79	33.90
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency) (Number)	1.00	1.00
Total number of shares held by them on which dividend was due (Number)	16,948,194	16,948,194
Year to which dividend relates	2012-13	2011-12

# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### 23.11 Employee Benefits

#### a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹34.62 Lacs (previous year ₹37.41Lacs)

#### b) Defined Benefit Plans

#### I Reconciliation of asset / (liability) recognized in the Balance Sheet (under pre-paid expenses , refer Note 15)

	For the Year 2013-2014	For the Year 2012-2013
Fair Value of plan assets as at the end of the year	58.32	59.20
Present Value of Obligation as at the end of the year	(19.37)	(17.08)
Net assets / (liability) in the Balance Sheet	38.95	42.12

₹ in Lakhs

#### II Movement in net liability recognized in the Balance Sheet

	For the Year 2013-2014	For the Year 2012-2013
Net (assets) as at the beginning of the year	(42.12)	(17.28)
Net expense recognized in the statement of profit and loss	3.17	(24.84)
Contribution during the year	-	-
Net (assets) as at the end of the year	(38.95)	(42.12)

₹ in Lakhs

#### III Expense Recognized in the profit and loss account (Under the head "Employees benefit expenses" refer Note 20)

	For the Year 2013-2014	For the Year 2012-2013
Current Service Cost	4.19	14.30
Interest Cost	1.37	3.14
Expected Return on Plan assets	(5.15)	(4.66)
Actuarial (gains)/losses	2.77	(37.62)
Expense charged to the Statement of Profit and Loss	3.18	(24.84)

₹ in Lakhs

#### IV Return on Plan Assets

	For the Year 2013-2014	For the Year 2012-2013
Expected return on plan assets	5.15	4.67
Actuarial (losses)/gains	(0.35)	0.30
Actual return on plan assets	4.80	4.97

₹ in Lakhs



# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### V Reconciliation of defined benefits commitments

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Commitments at beginning of the year	17.08	36.95
Current Service Cost	4.19	14.30
Interest Cost	1.37	3.14
Actuarial (gains)/losses	2.41	(37.31)
Benefits paid	(5.68)	-
Settlement cost	-	-
Commitments at year end	19.37	17.08

### VI Reconciliation of plan assets

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Fair Value of plan assets at beginning of the year	59.20	54.23
Expected return on plan assets	5.15	4.67
Actuarial gains/(losses)	(0.35)	0.30
Employer contribution	-	-
Benefits paid	(5.68)	-
Fair Value of plan assets at year end	58.32	59.20

### VII Experience Adjustment

	For the Year 2013-2014	For the year 2012-13	For the year 2011-12	For the year 2010-11	For the year 2009-10
					₹ in Lakhs
On Plan liability losses/(gains)	6.38	(37.97)	(3.30)	2.07	6.45
On Plan assets (losses)/ gains	(0.35)	0.30	0.19	0.32	(1.59)

### VIII Actuarial Assumptions

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	9.31%	8.00%
Expected Rate of return on Plan assets (per annum)	8.70%	8.70%
Rate of escalation in Salary(per annum)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### Composition of plan assets

	For the Year 2013-2014	For the Year 2012-2013
Insurer managed funds	100%	100%

### 23.12 Earning 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 :

# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

	For the Year 2013-2014	For the Year 2012-2013
(a) Profit / (Loss) for the year attributable to equity share holders (₹ in Lacs)	1,002.09	1,332.96
(b) Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(c) Earnings per share - Basic and diluted (₹)	1.54	2.04
(d) Nominal value of shares (₹)	2	2

### 23.13 Components of deferred tax Assets / (Liabilities)

	As at March 31, 2014	As at March 31, 2013
Depreciation on fixed assets	180.51	139.37
Provision for doubtful debts and advances	72.26	9.69
Deferred tax asset/ (liability)-net	252.77	149.06

₹ in Lakhs

### 23.14 Lease Transactions

Amount of lease rentals charged to the profit and loss account in respect of operating leases is ₹ 764.35 Lacs (previous year ₹ 93.60 Lacs).

### 23.15 Segment Information

#### (A) Information about primary segments

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

- Commissioned Programmes : Income from sale of television serials to channels
- Sponsored Programmes : Income from telecasting of television serials on channels

	Commissioned Programmes		Sponsored Programmes		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	12,913.08	13,519.43	-	399.69	12,913.08	13,919.12
Add: Inter Segment sale					-	-
<b>Total Revenue</b>	<b>12,913.08</b>	<b>13,519.43</b>	<b>-</b>	<b>399.69</b>	<b>12,913.08</b>	<b>13,919.12</b>
Segment result	2,214.84	1,984.21	-	(203.56)	2,214.84	1,780.65
Unallocable expenses (net)					(2,642.98)	(2,102.33)
Operating Income					240.61	166.13
Other Income					1,789.09	1,816.80
Profit before tax					1,601.56	1,661.25
Tax expense					(599.47)	(328.45)
<b>Profit for the year</b>					<b>1,002.09</b>	<b>1,332.80</b>
Segment assets	6,301.69	5,913.73	-	112.54	6,301.69	6,026.27
Unallocable assets					38,940.05	38,310.64
<b>Total assets</b>					<b>45,241.74</b>	<b>44,336.90</b>
Segment liabilities	1,971.44	1,493.67	-	10.07	1,971.44	1,503.74
Unallocable liabilities					850.49	1,110.28
<b>Total Liabilities</b>					<b>2,821.93</b>	<b>2,614.02</b>
Other Information						
Capital expenditure (allocable)	116.85	107.77	-	-	116.85	107.77
Capital expenditure (unallocable)					-	110.11
Depreciation / Amortisation (allocable)	380.82	586.73	-	1.80	380.82	588.53
Depreciation / Amortisation (unallocable)					164.56	197.84

₹ in Lakhs

#### (B) Segment information for secondary segment reporting (by geographical segment)

The Company operates under one geographical segment and hence disclosures relating to geographical segment are not given.

# NOTES

forming part of the financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### 23.16 Details relating to investment in Limited Liability Partnership (LLP)

₹ in Lakhs

Name of the LLP	As at March 31, 2014			As at March 31, 2013		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.50	50.00%	Balaji Telefilms Limited	0.50	50.00%
	IP Capital Advisors LLP	0.49	49.00%	IP Capital Advisors LLP	0.49	49.00%
	IPM Capital Advisors LLP	0.01	1.00%	IPM Capital Advisors LLP	0.01	1.00%
		<b>1.00</b>	<b>100%</b>		<b>1.00</b>	<b>100%</b>
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.38	18.75%	Balaji Telefilms Limited	0.38	18.75%
	IP Capital Advisors LLP	0.38	18.75%	IP Capital Advisors LLP	0.38	18.75%
	IPX Capital Advisors LLP	0.25	12.50%	IPX Capital Advisors LLP	0.25	12.50%
	Mohit Ralhan	0.50	25.00%	Mohit Ralhan	0.50	25.00%
	IPM Capital Advisors LLP	0.50	25.00%	IPM Capital Advisors LLP	0.50	25.00%
		<b>2.00</b>	<b>100%</b>		<b>2.00</b>	<b>100%</b>

23.17 The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

#### Signatures to notes 1 to 23

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Snehal Shah**  
(Proprietor)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014

# INDEPENDENT AUDITORS' REPORT

## To The Board of Directors of Balaji Telefilms Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Balaji Telefilms Limited (the Company) and its subsidiaries (the Company and its subsidiaries constitute 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of one of the subsidiaries and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Emphasis of Matter

Attention is invited to Note 23.17 of the financial statements regarding remuneration paid to the Managing Director of a subsidiary company, which is in excess of the relevant provisions of the Act by ₹ 58.76 lakhs for which the Central Government approval is awaited, as explained in the note.

Our opinion is not qualified in respect of this matter.

### Other Matter

The consolidated financial statement include the financial statements of a subsidiary which reflect total assets (net) of ₹ 598.49 lacs as at 31st March, 2014, total revenues of ₹ 474.98 lacs and net cash flows amounting to ₹ 17.45 lacs for the year ended on that date, and the Group's share of net loss of ₹ 1.89 lacs for the year ended on that date in respect of once associate. The financial statements of this subsidiary and associate have been audited by Snehal & Associates, Chartered Accountants, one of the joint auditors of the Company.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A.B. Jani**  
Partner  
(Membership No: 46488)  
Mumbai, dated: May 15, 2014

For **Snehal & Associates**  
Chartered Accountants  
(Firm's Registration No: 110314W)

**Snehal Shah**  
Proprietor  
(Membership No: 40016)  
Mumbai, dated: May 15, 2014



# CONSOLIDATED BALANCE SHEET

as at March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,304.21	1,304.21
(b) Reserves and surplus	4	36,961.75	38,988.16
		38,265.96	40,292.37
<b>2 Current liabilities</b>			
(a) Trade payables	23.5	3,019.81	2,958.66
(b) Other current liabilities	5	1,852.26	1,347.50
(c) Short-term provisions	6	332.03	316.40
		5,204.10	4,622.56
<b>TOTAL</b>		<b>43,470.06</b>	<b>44,914.93</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		2,234.83	2,666.44
(ii) Capital work-in-progress		87.56	25.65
		2,322.39	2,692.09
(b) Non-current investments	8	3,669.80	3,172.25
(c) Deferred tax assets (net)	23.13	252.77	149.06
(d) Long-term loans and advances	9	6,543.25	5,164.12
(e) Other non-current assets	10	10.59	11.73
		12,798.80	11,189.25
<b>2 Current assets</b>			
(a) Current investments	11	15,997.59	11,865.78
(b) Inventories	12	7,002.11	15,062.33
(c) Trade receivables	13	3,854.26	3,982.39
(d) Cash and cash equivalents	14	775.92	1,099.29
(e) Short-term loans and advances	15	2,143.47	1,575.89
(f) Other current assets	16	897.91	140.00
		30,671.26	33,725.68
<b>TOTAL</b>		<b>43,470.06</b>	<b>44,914.93</b>
<b>See accompanying notes forming part of financial statements.</b>			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>1 Revenue</b>			
Revenue from Operations	17	40,746.01	18,597.48
<b>2 Other income</b>	18	1,798.40	1,838.08
<b>3 Total Revenue (1+2)</b>		<b>42,544.41</b>	<b>20,435.56</b>
<b>4 Expenses</b>			
(a) Cost of Production of television serials	19	38,509.02	14,257.59
(b) Employee benefits expense	20	1,639.72	1,399.94
(c) Finance costs	21	137.31	8.52
(d) Depreciation and amortization expense	7	603.18	801.95
(e) Other expenses	22	2,775.06	2,136.61
<b>Total Expenses</b>		<b>43,664.29</b>	<b>18,604.61</b>
<b>5 (Loss) / Profit before tax (3-4)</b>		(1,119.88)	1,830.95
<b>6 Tax expense:</b>			
(a) Current tax		364.17	420.73
(b) Less: MAT credit		(70.00)	-
(c) Deferred tax	23.13	(103.70)	(45.82)
(d) Short/(Excess) provision for tax in respect for earlier years		409.00	(1.97)
		599.47	372.94
<b>7 (Loss) / Profit for the year (5-6)</b>		(1,719.35)	1,458.01
<b>8 Share in the profit of associates</b>		(1.89)	0.17
<b>9 (Loss) / Profit for the year (7+8)</b>		<b>(1,721.24)</b>	<b>1,458.18</b>
<b>10 Earnings per share (of ₹ 2/- each): (refer note 23.12)</b>			
Basic and diluted earnings per share		(2.64)	2.24
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2014

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit for the year	(1,119.88)	1,830.95
<b>Adjustments for:</b>		
Depreciation	603.18	801.95
Bad debts written off	-	95.43
Provision for doubtful debts and advances	169.72	13.00
Loss / (Profit) on sale / discard of fixed assets(net)	3.28	(14.49)
Dividend / Profit on sale of long term investments (non-trade) (net)	(1,104.30)	(1,384.68)
Provision for earlier years written back (net)	(3.14)	(241.95)
Provision for doubtful debt written back	-	(78.69)
Interest income on Fixed Deposits	(15.17)	(17.78)
<b>Operating (loss) /profit before working capital changes</b>	<b>(1,466.31)</b>	<b>1,003.75</b>
<b>Adjustments for:</b>		
(Increase) in trade and other receivable	(2,522.44)	(1,067.07)
Decrease / (Increase) in inventories	8,060.22	(10,759.45)
Increase in trade payables and other payables	809.14	1,376.69
Cash used in operations	4,880.61	(9,446.09)
Income-tax (paid) / refund received	(1,017.36)	1,216.47
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>3,863.25</b>	<b>(8,229.64)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(239.95)	(248.27)
Sale of fixed assets	3.17	18.01
Purchase of investments	(19,085.17)	(14,934.98)
Sale of investments	16,005.75	25,450.10
Optionally Convertible Debentures allotted	-	(605.85)
Optionally Convertible Debentures redeemed	-	1,098.84
Investment in Trust / Limited Liability Partnership	(500.00)	(1,905.38)
Bank Balance not considered as cash and cash equivalents (Refer Note 14)	(63.49)	(4.58)
Interest income	11.38	17.78
<b>NET CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES (B)</b>	<b>(3,868.31)</b>	<b>8,885.67</b>

# CONSOLIDATED CASH FLOW STATEMENT (Contd.)

for the year ended March 31, 2014

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(260.84)	(130.93)
Corporate dividend tax paid	(44.33)	(21.16)
<b>NET CASH FLOW (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(305.17)</b>	<b>(152.09)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(310.23)</b>	<b>503.94</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,037.70</b>	<b>533.73</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>727.47</b>	<b>1,037.70</b>

**Notes:**

(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 14).

	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>(ii) Cash and cash equivalents at the end of the year as per cashflow statement</b>	727.47	1,037.70
- Unpaid dividend accounts	7.47	7.67
- Fixed deposits kept in lien against bank guarantee	40.98	53.92
<b>Cash and cash equivalents at the end of the year as per Note 14</b>	<b>775.92</b>	<b>1,099.29</b>

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
(Partner)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

Place : Mumbai  
Date : May 15, 2014

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Sanjay Dwivedi**  
(Chief Financial Officer)



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# NOTES

## forming part of the consolidated financial statements

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### NOTE 1 CORPORATE INFORMATION

Balaji Telefilms Limited was incorporated on November 10, 1994 under the Companies Act, 1956. The Company has established itself as a leader in television content in India particularly for Hindi language content and has also successfully ventured in the regional television content market and event business.

Balaji Motion Pictures Limited was incorporated on March 9, 2007 under the Companies Act, 1956 and is in the business of production of films. The Company is a wholly owned subsidiary of Balaji Telefilms Limited.

Incorporated on November 19, 2012, BOLT Media Limited is a wholly owned subsidiary of Balaji Telefilms Limited and is involved in production of non-fiction/fiction/reality/factual television shows, events management, branded entertainment, digital content, consultancy and creative services related to it.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### Basis of preparation of financial statements

The accompanying Consolidated Financial Statements of the Balaji Telefilms Limited (BTL/Parent Company/ Company) and its Balaji Motion Pictures Limited and Bolt Media Limited (Subsidiaries) as aforesaid (hereinafter together referred as "the group"), have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

#### Principles of Consolidation

The financial statements of the Parent Company and its subsidiary have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealized gain or losses on the balances remaining within the group in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" (AS-21).

The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies for like transaction and other events in similar circumstances.

#### Use of Estimates

The preparation of financials statements, in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of the revenue and expenses during the reported year. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

#### Fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation / amortisation and impairment loss, if any.

#### Depreciation / Amortisation

Depreciation on fixed assets is provided on straight line basis in accordance with provisions 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%

Leasehold improvements are amortised over the period of lease

#### Impairment loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### Investments

Current investments are carried at lower of cost and 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.

#### 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
Feature films	: Actual cost
Unamortised cost of feature films	: The cost of feature films is amortised in the ratio of current revenue to expected total revenue. At the end of each accounting period, balance unamortised cost is compared with net expected revenue. If net expected revenue is less than unamortised cost, the same is written down to net expected revenue.

# NOTES

## forming part of the consolidated financial statements

### Revenue recognition

- a) In respect of sponsored programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast.
- b) In respect of commissioned programmes, revenue is recognised as and when the relevant episodes of the programmes are telecasted on broadcasting channels.
- c) In respect of films, produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.  
In all other cases, revenue (income) is recognised when no significant uncertainty as to its determination or realisation exists.

### Employee benefits

- a) Post employment benefits and other long term benefits
  - i) Defined Contribution Plan:  
The Group contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.
  - ii) Defined Benefit Plans:  
The trustees of Balaji Telefilms Limited and Balaji Motion Pictures Limited Employees Group Gratuity Scheme have taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).  
Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit Method'. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the profit and loss account.
- b) Short Term Employee Benefits:  
Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

### Foreign currency transactions

Transactions in foreign currency, including in respect of foreign operations integral in nature, are recorded at the original rates of exchange in force at the time the transactions are effected. At the year end, monetary items, including those of foreign operations integral in nature, denominated in foreign currency are reported using the closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted for in the relevant year as income or expense.

### Borrowing costs

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

### Operating leases

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses in accordance with the respective lease agreements.

### Taxes on income

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty, that sufficient future income will be available except that the deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

### Provisions and Contingencies

Provisions are recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

# NOTES

forming part of the consolidated financial statements

## NOTE 3 SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Authorised		
75,000,000 Equity Shares of ₹ 2/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
(b) Issued, Subscribed and fully paid-up		
65,210,443 Equity Shares of ₹ 2/- each	1,304.21	1,304.21
<b>TOTAL</b>	<b>1,304.21</b>	<b>1,304.21</b>

### Note:

(i) Details of Equity Shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Star Middle East FZ LLC	16,948,194	25.99	16,948,194	25.99
Ekta Kapoor	13,572,704	20.81	10,668,188	16.36
Shobha Kapoor	9,129,462	14.00	10,037,500	15.39
Jeetendra Kapoor	3,260,522	5.00	4,392,000	6.74

(ii) All the above Equity Shares have the same rights to dividend, voting and in case of repayment of Capital.

## NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Securities premium account		
As per last Balance Sheet	14,785.61	14,785.61
(b) General reserve		
As per last Balance Sheet	4,910.17	4,776.87
Add: Transferred from surplus in Statement of Profit and Loss	100.21	133.30
	5,010.38	4,910.17
(c) Surplus in Statement of Profit and Loss		
Opening balance	19,292.38	18,272.67
Add: Profit for the year	(1,721.24)	1,458.18
Less : Dividends proposed to be distributed to equity shareholders (₹0.40 per share)	260.84	260.84
Tax on dividend	44.33	44.33
Transferred to General reserve	100.21	133.30
Closing balance	17,165.76	19,292.38
<b>TOTAL</b>	<b>36,961.75</b>	<b>38,988.16</b>

# NOTES

forming part of the consolidated financial statements

## NOTE 5 OTHER CURRENT LIABILITIES

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Unpaid dividends (Refer Note below)	7.47	7.67
(b) Temporarily overdrawn book balances	392.47	-
(c) Other payables		
(i) Statutory liabilities	200.06	137.77
(ii) Advances from customers	1,252.26	1,202.06
<b>TOTAL</b>	<b>1,852.26</b>	<b>1,347.50</b>

### Note

Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due.

## NOTE 6 SHORT-TERM PROVISIONS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Provision for Employee benefits		
(i) Provision for gratuity	0.48	1.93
Provision - Others:		
(i) Provision for tax (net of advance tax ₹ 103.31 (As at March 31, 2013 ₹ NIL))	26.38	9.30
(ii) Provision for proposed equity dividend	260.84	260.84
(iii) Provision for tax on proposed dividend	44.33	44.33
<b>TOTAL</b>	<b>332.03</b>	<b>316.40</b>



# NOTES

forming part of the consolidated financial statements

## NOTE 7 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 01, 2013	Additions	Deductions	As at March 31, 2014	Upto March 31, 2013	For the Year	On Deductions	Upto March 31, 2014	As at March 31, 2014
<b>Tangible assets</b>									
Buildings (refer note a below)	469.36	-	-	469.36	65.44	7.65	-	73.09	396.27
	(469.36)	(-)	(-)	(469.36)	(57.79)	(7.65)	(-)	(65.44)	(403.92)
Plant and machinery - Computers	648.60	1.07	0.06	649.61	523.78	61.37	0.03	585.12	64.49
	(627.60)	(21.50)	(0.50)	(648.60)	(449.42)	(74.55)	(0.19)	(523.78)	(124.82)
Plant and machinery - Others	2,200.51	70.05	-	2,270.56	1,364.75	158.77	-	1,523.52	747.04
	(2,191.86)	(9.10)	(0.45)	(2,200.51)	(1,212.42)	(152.68)	(0.35)	(1,364.75)	(835.76)
Computers	398.16	20.48	0.37	418.27	349.04	17.49	0.37	366.16	52.11
	(401.21)	(2.36)	(5.32)	(398.16)	(336.01)	(16.14)	(3.11)	(349.04)	(49.12)
Studios and sets	4,716.84	39.79	-	4,756.63	4,471.53	192.12	-	4,663.65	92.98
	(4,639.68)	(77.16)	(-)	(4,716.84)	(4,109.21)	(362.32)	(-)	(4,471.53)	(245.31)
Vehicles	822.35	1.52	10.39	813.48	354.47	71.71	6.20	419.98	393.50
	(761.82)	(100.98)	(40.45)	(822.35)	(322.77)	(72.15)	(40.45)	(354.47)	(467.88)
Furniture and fixtures	305.88	6.78	0.96	311.70	156.34	19.24	0.43	175.15	136.55
	(303.71)	(2.17)	(-)	(305.88)	(137.24)	(19.10)	(-)	(156.34)	(149.54)
Office equipments	336.61	38.34	1.90	373.05	101.04	16.68	0.19	117.53	255.52
	(328.68)	(8.99)	(1.06)	(336.61)	(85.43)	(15.84)	(0.23)	(101.04)	(235.57)
Electrical fittings	89.68	-	-	89.68	23.32	4.22	-	27.54	62.14
	(87.70)	(1.98)	(-)	(89.68)	(19.14)	(4.18)	(-)	(23.32)	(66.36)
Lease Hold Improvements	454.70	-	-	454.70	366.54	53.93	-	420.47	34.23
	(386.41)	(68.29)	(-)	(454.70)	(289.20)	(77.34)	(-)	(366.54)	(88.16)
<b>TOTAL</b>	<b>10,442.69</b>	<b>178.03</b>	<b>13.68</b>	<b>10,607.04</b>	<b>7,776.25</b>	<b>603.18</b>	<b>7.22</b>	<b>8,372.21</b>	<b>2,234.83</b>
	<b>(10,197.94)</b>	<b>(292.53)</b>	<b>(47.78)</b>	<b>(10,442.69)</b>	<b>(7,018.63)</b>	<b>(801.95)</b>	<b>(44.33)</b>	<b>(7,776.25)</b>	<b>(2,666.44)</b>

### Note

- Building includes ₹ 220.86 lacs (previous year ₹ 220.86 lacs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹ 0.01 lac received under Bye-law of the society.
- Figures in brackets denote previous year figures

# NOTES

forming part of the consolidated financial statements

## NOTE 8 NON-CURRENT INVESTMENTS

Particulars	₹ in Lakhs	
	As at March 31, 2014 Unquoted	As at March 31, 2013 Unquoted
(At cost): (non-trade)		
(a) Investment in optionally convertible debentures (OCDs) of :		
(i) Aristo Learning Private Limited		
Series A 3,000 (Previous year 3,000)		
Debentures of ₹100 each	3.00	3.00
Series B 62,810 (Previous year 62,810)		
Debentures of ₹100 each	62.81	62.81
(ii) Second School Learning Private Limited		
Series A 1,000 (Previous year 1,000)		
Debentures of ₹100 each	1.00	1.00
Series B 399,000 (Previous year 399,000)		
Debentures of ₹100 each	399.00	399.00
	465.81	465.81
(b) Investment in Associate (Refer Note 23.7)		
(i) IPB Capital Advisors LLP	0.50	0.89
Add : Share in (loss)/profit of associate	(1.89)	0.17
	(1.39)	1.06
(c) Investment in Indus Balaji Investor Trust (Refer Note 23.1 B)		
(i) 3,200,000 (Previous year 2,700,000)		
Class A units of ₹100 each	3,200.00	2,700.00
(ii) 5,000 (Previous year 5,000) Class B units of ₹100 each	5.00	5.00
	3,205.00	2,705.00
(d) Investment in Limited Liability Partnership		
(i) Indus Balaji Education Capital Advisors LLP	0.38	0.38
<b>TOTAL</b>	<b>3,669.80</b>	<b>3,172.25</b>

## NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Capital Advances	400.00	9.80
(b) Security Deposits (Refer Note below)		
Considered good	967.27	993.48
Considered doubtful	46.66	-
	1,013.93	993.48
Less: Provision	46.66	-
	967.27	993.48
(c) Loan to Balaji Employees Foundation Trust	1,000.00	1,000.00
(d) Advance to vendors	1,239.40	1,037.46
(e) Advance income -tax (Net of provisions ₹ 1,363.18 lacs (As at March 31, 2013, ₹ 652.26 lacs))	2,866.58	2,123.38
(f) MAT credit entitlement	70.00	-
<b>TOTAL</b>	<b>6,543.25</b>	<b>5,164.12</b>

### Note:

Security Deposit include deposits given to Directors for the properties taken on lease from them (also refer note 23.8(b))

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Directors	840.00	840.00
Maximum amount outstanding at any time during the year for the above deposits.	840.00	846.00

## NOTES

forming part of the consolidated financial statements

### NOTE 10 OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Fixed deposits with banks under lien	9.94	10.61
(b) Interest accrued on fixed deposits with banks under lien	0.65	1.12
<b>TOTAL</b>	<b>10.59</b>	<b>11.73</b>

### NOTE 11 CURRENT INVESTMENTS (UNQUOTED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(Non trade) (at lower of cost and fair value)		
Investment in mutual funds (Refer note below)	15,997.59	11,865.78
<b>TOTAL</b>	<b>15,997.59</b>	<b>11,865.78</b>

**Note:** ₹ in Lakhs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
<b>IN UNITS OF MUTUAL FUNDS</b>					
Kotak Gilt (Investment Regular)- Growth	10	765,716.33	765,716.33	300.00	300.00
Kotak Floater Long Term- Growth	10	5,127,994.75	-	1,000.00	-
Kotak Floater Long Term - Daily Dividend Reinvestment	10	2,127,114.35	-	215.28	-
Kotak Bond Scheme Plan A- Growth	10	2,433,948.34	2,433,948.34	795.00	795.00
Reliance Liquidity Fund	10	199.55	-	2.00	-
Reliance Dynamic Bond Fund- Growth Plan	10	4,516,358.50	2,655,136.71	700.06	400.00
Reliance Regular Savings Fund - Debt Plan-Growth Plan	10	2,467,323.76	-	400.00	-
SBI Dynamic Bond Fund- Growth	10	3,205,349.38	3,205,349.38	450.00	450.00
SBI Magnum Income Fund- Regular Plan- Growth	10	1,731,667.70	1,731,667.70	500.00	500.00
SBI Magnum Income Fund -FR Savings Plus Bond- Regular Plan-Growth	10	2,607,915.55	-	500.00	-
Templeton India Short term Income Retail Plan Growth	1,000	34,180.18	21,584.28	800.00	500.00
Templeton India Ultra Short Bond -Super Institutional	10	2,122,215.27	-	201.98	-
UTI Short Term Income Fund Institutional - Growth Option	10	6,850,451.70	-	1,000.00	-
UTI Floating Rate Fund-STP-Regular Plan	10	50,285.44	-	1,000.00	-
UTI-BOND Fund-Growth	10	834,680.86	-	300.16	-
UTI Short Term Income Fund - Growth Option	10	-	7,913,388.24	-	1,000.00
Birla Sunlife Dynamic Bond Fund - Retail	10	682,155.27	11,949,294.76	121.73	2,052.80
Birla Sun Life Fixed Plan Series ED Growth	10	5,025,936.00	5,025,936.00	502.59	502.59

# NOTES

forming part of the consolidated financial statements

## NOTE 11 CURRENT INVESTMENTS (CONTD.)

₹ in Lakhs

Particulars	Face Value ₹	Numbers		Value	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Birla Sunlife Floating Rate Fund	10.00	408,288.81	-	600.00	-
Birla Sun Life Cash Manager	10.00	299,373.27	-	300.25	-
Birla Sunlife Income Plus	10.00	1,433,761.59	-	774.67	-
Birla Sunlife-Short Term Opportunities Fund	10.00	2,520,351.84	-	500.00	-
DWS Treasury Fund -Invt-Regular Plan- Daily Dividend- Reinvestment	10.00	543,606.12	-	55.67	-
HDFC Income Fund- Growth	10.00	2,606,804.51	2,606,804.51	700.00	700.00
HDFC High Interest Fund -Dynamic Plan-Growth	10.00	2,212,477.05	-	900.00	-
HDFC FMP 371D July 2013-Series 26- Regular-Growth	10.00	4,000,000.00	-	400.00	-
ICICI Prudential FMP Series 60 - 18 Months Plan G Cumulative	10.00	-	9,723,877.00	-	972.39
ICICI Prudential Short Term Plan - Institutional Growth	10.00	-	2,298,634.61	-	500.00
ICICI Prudential FMP Series 61 - 18 Months Plan B - Cumulative	10.00	-	10,000,000.00	-	1,000.00
ICICI Prudential FMP Series 62 - 1 Year Plan A - Cumulative	10.00	-	-	-	-
ICICI Prudential Gilt Fund Investment Plan PF Option	10.00	1,131,827.93	1,131,827.93	245.00	245.00
ICICI Prudential Gilt Fund Treasury -Regular Plan- Growth	10.00	1,723,311.93	1,723,311.93	500.00	500.00
ICICI Prudential Income-Regular Plan- Growth	10.00	769,546.48	-	287.68	-
ICICI Prudential Ultra Short Term -Regular Plan-Daily Dividend	10.00	3,985,329.61	-	403.01	-
ICICI Prudential Regular Savings Fund-Regular Plan- Growth	10.00	1,601,281.03	-	200.00	-
ICICI Prudential Interval Fund QIP Plan B -Regular Plan	10.00	2,864,317.29	-	300.00	-
ICICI Prudential Fmp Series 68-369 Days Plan I Regular Plan Cumulative	10.00	4,000,000.00	-	400.00	-
ICICI Prudential Flexible Income-Regular Plan-Weekly dividend	10.00	6,362.21	-	6.36	-
ICICI Prudential Liquid -Regular Plan-Daily Dividend	10.00	7,978.25	-	9.93	-
IDFC Banking Debt Fund	10.00	262,251.01	-	26.22	-
IDFC Dynamic Bond Fund Growth -Regular Plan	10.00	2,806,807.69	-	400.00	-
IDFC Super Saver Income Fund-Invt Plan- Growth	10.00	688,482.38	-	200.00	-
IDFC Dynamic Bond Fund Plan B-Growth	10.00	-	4,082,603.58	-	545.00
IDFC Super Saver Income Fund - Short Term - Plan A Growth	10.00	-	4,200,978.45	-	903.00
<b>TOTAL</b>				<b>15,997.59</b>	<b>11,865.78</b>



# NOTES

forming part of the consolidated financial statements

## NOTE 12 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
a) Serials	1,130.35	379.97
b) Tapes	-	4.29
c) Films	5,871.76	14,678.07
<b>Total</b>	<b>7,002.11</b>	<b>15,062.33</b>

## NOTE 13 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE TREATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	246.73	295.57
Considered doubtful	176.06	53.00
	422.79	348.57
Less: Provision	176.06	53.00
	246.73	295.57
Other Trade receivables		
Considered good	3,607.53	3,686.82
<b>TOTAL</b>	<b>3,854.26</b>	<b>3,982.39</b>

## NOTE 14 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	23.62	27.12
(b) Balances with banks		
(i) In current accounts	695.85	826.06
(ii) In deposit accounts	8.00	184.52
(iii) In earmarked accounts		
- Unpaid dividend accounts	7.47	7.67
- Fixed deposits kept in lien against bank guarantee	40.98	53.92
<b>TOTAL</b>	<b>775.92</b>	<b>1,099.29</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	727.47	1,037.70

# NOTES

forming part of the consolidated financial statements

## NOTE 15 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ in Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to employees	8.23	25.18
(b) Prepaid expenses	77.57	117.23
(c) Balances with government authorities (VAT, service tax etc.)	764.75	144.14
(d) Advance to vendors	1,292.87	1,284.34
(e) Security Deposit	0.05	5.00
<b>TOTAL</b>	<b>2,143.47</b>	<b>1,575.89</b>

## NOTE 16 OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Unbilled revenue	894.75	140.00
Interest accrued on fixed deposits with banks- under lien	3.16	-
<b>TOTAL</b>	<b>897.91</b>	<b>140.00</b>

## NOTE 17 REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Sale of services		
Commissioned Sales	13,342.56	13,169.59
Sponsored Sales	-	374.69
Internet Sales	7.33	1.98
Sale of film rights	27,134.33	4,427.88
Service Income	5.50	4.50
(b) Other operating revenues		
Sale of Scrap	0.27	0.47
Excess provision for earlier years written back	35.01	217.12
Facilities hire charges	130.35	156.51
Service income	90.66	130.31
Other Income	-	35.74
Provision for doubtful debts / advances written back	-	78.69
<b>TOTAL</b>	<b>40,746.01</b>	<b>18,597.48</b>

# NOTES

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## NOTE 18 OTHER INCOME

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest income		
On fixed deposits with banks	15.17	17.78
On Income tax Refund	-	332.78
(b) Profit on sale of current investments (non-trade) (net)	1,019.13	1,384.68
(c) Profit on sale of fixed assets (net)	-	14.49
(d) Insurance claim received (Includes ₹ 673.00 lacs (Previous Year ₹ Nil) on maturity of Keyman Insurance policy)	673.60	50.21
(e) Dividend on current investments	85.17	-
(f) Excess Provision for earlier years written back (net)	3.14	24.83
(g) Miscellaneous income	2.19	13.31
<b>TOTAL</b>	<b>1,798.40</b>	<b>1,838.08</b>

## NOTE 19 COST OF PRODUCTION OF TELEVISION SERIALS / FILMS

₹ in Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock of television serials / tapes / films	15,062.32	4,302.87
Less: Service tax credit availed*	73.50	-
	14,988.82	4,302.87
Add: Cost of production		
Acquisition Cost	431.07	484.49
Purchase of costumes and dresses	245.76	267.15
Purchase of tapes / raw stock / negative	321.06	196.39
Artists, Directors and other technicians fees	11,567.64	10,790.17
Shooting and location expenses (Refer Note 23.14)	3,676.01	3,411.89
Telecasting fees / Purchase rights	228.92	224.68
Uplinking charges	119.76	87.25
Set properties and equipment hire charges	1,361.16	1,092.46
Insurance	107.14	45.09
Line Production cost	2,547.93	5,608.30
Marketing and Distribution Expense	7,617.55	1,238.25
Other production expenses	2,298.33	1,570.93
	30,522.33	25,017.05
	45,511.15	29,319.92
Less: Closing stock of television serials / tapes / films	7,002.13	15,062.33
<b>TOTAL</b>	<b>38,509.02</b>	<b>14,257.59</b>

\*pertains to service tax credit availed in current year in respect of cost of film produced/acquired and included in inventory.

# NOTES

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## NOTE 20 EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	1,536.06	1,303.29
Contributions to Provident and Other Funds	67.51	70.91
Staff welfare expenses	36.15	25.74
<b>TOTAL</b>	<b>1,639.72</b>	<b>1,399.94</b>

## NOTE 21 FINANCE COSTS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest expense on delayed payment of taxes etc.	137.31	8.52
<b>TOTAL</b>	<b>137.31</b>	<b>8.52</b>

## NOTE 22 OTHER EXPENSES

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and fuel	174.82	115.37
Rent including lease rentals (Refer Note 23.14)	129.46	102.35
Repairs and maintenance - Machinery	36.70	42.68
Repairs and maintenance - Others	314.27	116.89
Insurance	63.50	134.65
Rates and taxes	175.96	37.88
Communication expenses	32.08	63.45
Legal and Professional charges	1,010.83	705.56
Security and housekeeping expenses	86.58	49.73
Business promotion expenses	113.64	94.93
Travelling & Conveyance Expenses	108.67	176.42
Donations and contributions	50.79	21.70
Loss on Fixed Assets sold/scrapped/written off	3.28	-
Provision for doubtful debts and advances	169.72	13.00
Marketing Expenses	6.55	19.52
Bad debts written off	-	95.43
Software expenses	6.95	22.31
Directors sitting fees	5.95	5.57
Brokerage and commission	-	0.18
Foreign exchange (loss) net	38.94	0.72
Miscellaneous expenses *	246.37	318.28
<b>TOTAL</b>	<b>2,775.06</b>	<b>2,136.61</b>

\*Miscellaneous expenses include security charges, printing and stationery etc.



## NOTES

forming part of the consolidated financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

	As at March 31, 2014	As at March 31, 2013
₹ in Lakhs		
<b>23.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
<b>A Contingent Liabilities</b>		
a) In respect of the demands (including interest) raised by Prasar Bharti Broadcasting Corporation of India (Corporation), the Company has arrived at a one-time settlement with the Corporation by making a payment of ₹ 200.00 lacs as telecast fees which has been accounted for as an expense in the current year. As per the terms of the settlement, the balance outstanding of ₹557.20 lacs would be settled by way of supply of various old regional television content. The Company has submitted the required content to the Corporation, the approval for which is being received by the Company in a phased manner. As a result, the Company does not expect any charge in the financial statements on receipt of entire approvals from the Corporation for the balance outstanding.	557.20	757.20
b) The Company in earlier years had received notices of demand from the Department of Sales Tax, Government of Maharashtra, aggregating to ₹17,107.87 lakhs (including interest and penalty) pertaining to the years 2000 to 2004. The Company has appealed against the said orders with the Deputy Commissioner (Appeals) and the same is pending adjudication. Further in the current year, the sales tax authorities have levied an additional sales tax demand (including penalty and interest) under the Bombay Sales Tax Act aggregating of ₹515.44 lacs and under Works Contract Act aggregating to ₹85.50 lacs for the year 2004-05. The Company is contesting these additional claims by filing appeals with the respective appellate authorities. Further, the Company has also been assessed for the years 2006-2007 and 2009-2010 under the above statutes where the matters contained in the aforesaid demand orders have been accepted by the authorities.	17,708.81	17,107.87
c) The Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal to the Commissioner of Service Tax, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company, wherein the demand amount was ₹ 63.48 Crs. The Commissioner has further filed an appeal against the said order with the Customs, Excise & Service Tax Appellate Tribunal. The matter is pending hearing. On the same matter, a Show Cause Notice (SCN) for the period April 2008 to March 2010 has been issued with demand amount of ₹ 28.97 Crs. SCN is pending for adjudication with the Commissioner of Service Tax.	9,245.00	9,245.00
d) The Company had received demand notice from the Office of the Commissioner of Service Tax, Mumbai pertaining to Service Tax for the period April 2006 to March 2009 on certain transactions. The Company has contested these claims and a hearing was granted to the Company. However, the Commissioner passed an adverse order confirming the tax demand and levied interest and penalty. The Company had filed an appeal before Customs, Excise and Service Tax Appellate Tribunal (CESTAT) against the demand. The CESTAT has remanded the matter back to the adjudicating authority for consideration of the issue afresh. The adjudicating authority has not granted any hearing yet.	-	92.91

## NOTES

forming part of the consolidated financial statements

### NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

		₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
e)	The Company has received an order from the Chief Executive Officer (CEO)/ Collector towards lease rent and other related charges for use of facilities of Aarey Milk Colony (Aarey). The Company has contested these claims and has also filed a Writ Petition in the Bombay High Court. However, Bombay High Court while admitting the Writ Petition, called upon the Company to pay the amount to Aarey. The Company filed an appeal in the Supreme Court against the Order of the Bombay High Court. However, the Supreme Court directed the Company to pay the entire amount by June 7, 2013 and referred the matter to the Bombay High Court for adjudication. The Company has made a payment of ₹ 213.64 lacs towards the outstanding amount due to Aarey and also carried out the repair works of the godowns amounting to ₹ 35.83 lacs to their full satisfaction. Accordingly, The Chief Executive Officer, Aarey Milk Colony vide a letter dated 28/01/2014 confirmed that no amount is due from the Company.	-	287.35
<b>B Commitments :</b>			
	Future commitments towards capital contribution in Indus Balaji Investor Trust	800.00	1,300.00

- 23.2. a** The Company had 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. Since, the Commissioner of Sales Tax did not decide the said application which was filed under the process of Determination of Disputed Questions (DDQ), the Company filed a Writ Petition before Honourable Bombay High Court for necessary direction. The Honorable Bombay High Court passed an Order on July 9, 2013 directing the Department to decide on the DDQ application of the Company. Pursuant to the directions of the Honorable Bombay High Court Order, the Department passed an Order on September 26, 2013. The Order states that since the Company has been already assessed on the subject for these years and the Company had already filed appeals against the said assessment orders, the application for DDQ is not maintainable and the Company is allowed to follow the normal process of appeal against these assessment orders. Refer note 23.1(A)(b).
- 23.2. b** The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings. Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹265.80 lacs from their customers and deposited the same 'under protest' with the authorities.
- 23.3** On April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company has received notices under section 153A of Income-tax Act, 1961 and the Company has complied with the requirements of the said notices. Since the proceedings are pending completion, the tax liability, if any, would be ascertained and provided on the completion of the assessments under these proceedings.

# NOTES

forming part of the consolidated financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### 23.4 PAYMENT TO AUDITORS

Particulars	₹ in Lakhs	
	For the year 2013-14	For the year 2012-13
For Statutory Audit	27.45	27.45
For Tax Audit	2.50	2.50
For Taxation matters	5.00	5.00
For other services	7.30	8.00
Reimbursement of expenses	0.60	0.87
For Service Tax	5.30	5.42
<b>TOTAL</b>	<b>48.15</b>	<b>49.24</b>

**23.5** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

### 23.6 Details of subsidiary and associate included in Consolidated Financial Statements

Name	Relationship	Country of incorporation	₹ in Lakhs
			% of ownership interest and voting power
Balaji Motion Pictures Limited	Subsidiary	India	100%
Bolt Media Ltd	Subsidiary	India	100%
IPB Capital Advisors LLP	Associate	India	50%

### 23.7 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries and associates :

Name of the party	Relationship	₹ in Lakhs	
		Amount outstanding as at March 31, 2014	Maximum balance outstanding during the year
IPB Capital Advisors LLP	Associate	0.50	0.50
		(0.50)	(0.50)

Note: Figures in bracket relate to the previous year.

### 23.8 Related Party Transactions

#### (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	Key management person
Mr. Ramesh Sippy	Relative of Key management person
M/s. J K Developers	Sole proprietary firm of a Key management person
Raksha Entertainment Private Limited	Company owned by relative of Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence
IPB Capital Advisors LLP	Associate
Balaji Motion Pictures Limited	Subsidiary Company (control exist)
Bolt Media Limited	Subsidiary Company (control exist)

# NOTES

forming part of the consolidated financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

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

Nature of Transactions	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Company owned by relative of Key Management Person	Sole proprietary firm of Key Management Person	Associate	₹ in Lakhs	
							Total	
<b>Directors sitting fees</b>								
Mr. Jeetendra Kapoor	1.00	-	-	-	-	-	-	1.00
	(1.01)	(-)	(-)	(-)	(-)	(-)	(-)	(1.01)
Mr. Tusshar Kapoor	0.60	-	-	-	-	-	-	0.60
	(0.45)	(-)	(-)	(-)	(-)	(-)	(-)	(0.45)
<b>Rent paid</b>								
Mr. Jeetendra Kapoor	44.00	-	-	-	-	-	-	44.00
	(46.74)	(-)	(-)	(-)	(-)	(-)	(-)	(46.74)
Mrs. Shobha Kapoor	723.67	-	-	-	-	-	-	723.67
	(681.35)	(-)	(-)	(-)	(-)	(-)	(-)	(681.35)
Mr. Tusshar Kapoor	11.03	-	-	-	-	-	-	11.03
	(10.40)	(-)	(-)	(-)	(-)	(-)	(-)	(10.40)
Ms. Ekta Kapoor	12.49	-	-	-	-	-	-	12.49
	(12.14)	(-)	(-)	(-)	(-)	(-)	(-)	(12.14)
<b>Location Hire</b>								
Balaji Films & Telly Investments Limited	-	-	91.24	-	-	-	-	91.24
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Capital Advances</b>								
M/s. J K Developers	-	-	-	-	400.00	-	-	400.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Lease deposit</b>								
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-	-
	(200.00)	(-)	(-)	(-)	(-)	(-)	(-)	(200.00)
Ms. Ekta Kapoor	-	-	-	-	-	-	-	-
	(100.00)	(-)	(-)	(-)	(-)	(-)	(-)	(100.00)
<b>Remuneration</b>								
Mrs. Shobha Kapoor	110.12	-	-	-	-	-	-	110.12
	(110.12)	(-)	(-)	(-)	(-)	(-)	(-)	(110.12)
Ms. Ekta Kapoor	132.30	-	-	-	-	-	-	132.30
	(132.31)	(-)	(-)	(-)	(-)	(-)	(-)	(132.31)
<b>Artist fees</b>								
Mr. Tusshar Kapoor	21.50	-	-	-	-	-	-	21.50
	(103.90)	(-)	(-)	(-)	(-)	(-)	(-)	(103.90)
<b>Legal and Professional charges</b>								
Mr. Ramesh Sippy	-	3.20	-	-	-	-	-	3.20
	(-)	(14.75)	(-)	(-)	(-)	(-)	(-)	(14.75)
<b>Sale of film rights</b>								
Raksha Entertainment Pvt Ltd	-	-	-	116.45	-	-	-	116.45
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Dividend paid</b>								
Mrs. Shobha Kapoor	40.15	-	-	-	-	-	-	40.15
	(20.08)	(-)	(-)	(-)	(-)	(-)	(-)	(20.08)
Ms. Ekta Kapoor	42.67	-	-	-	-	-	-	42.67
	(21.00)	(-)	(-)	(-)	(-)	(-)	(-)	(21.00)
Mr. Jeetendra Kapoor	17.57	-	-	-	-	-	-	17.57
	(8.78)	(-)	(-)	(-)	(-)	(-)	(-)	(8.78)
Mr. Tusshar Kapoor	8.12	-	-	-	-	-	-	8.12
	(4.06)	(-)	(-)	(-)	(-)	(-)	(-)	(4.06)
Mr. Ramesh Sippy	-	0.01	-	-	-	-	-	0.01
	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(0.01)
<b>Investment made in Associates</b>								
IPB Capital Advisors LLP	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)



# NOTES

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## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd)

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

Nature of Transactions	Key Management Person	Relative of Key Management Person	Key management person having significant influence	Company owned by relative of Key Management Person	Sole proprietary firm of Key Management Person	Associate	₹ in Lakhs Total
<b>Amount receivable as at March 31, 2014</b>							
Mrs. Shobha Kapoor *	340.00	-	-	-	-	-	340.00
	(340.00)	(-)	(-)	(-)	(-)	(-)	(340.00)
Mr. Jeetendra Kapoor *	300.00	-	-	-	-	-	300.00
	(300.00)	(-)	(-)	(-)	(-)	(-)	(300.00)
Mr. Tusshar Kapoor *	100.00	-	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)
Mr. Ekta Kapoor *	100.00	-	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)
Raksha Entertainment Pvt Ltd	-	-	-	31.45	-	-	31.45
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Amount payable as at March 31, 2014</b>							
Balaji Films & Telly Investments Limited	-	-	10.44	-	-	-	10.44
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Investment as on March 31, 2014</b>							
IPB Capital Advisors LLP	-	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(-)	(0.50)	(0.50)

\* - Deposit for leased property

#### Note

- There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
- Figures in bracket relate to the previous year.

### 23.9 Expenditure in foreign currency

	As at March 31, 2014	As at March 31, 2013
Shooting and location expenses	402.93	148.13
Travelling and conveyance expenses	0.97	22.04

### 23.10 Amounts remitted in foreign currency during the year on account of

	As at March 31, 2014	As at March 31, 2013
Amount of dividend remitted in foreign currency (₹ in Lacs)	67.79	33.90
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency) (Number)	1.00	1.00
Total number of shares held by them on which dividend was due (Number)	16948194	16948194
Year to which dividend relates	2012-13	2011-12

### 23.11 Employee Benefits

#### a) Defined Contribution Plans

Both the employees and the Company make pre-determined contributions to the provident fund. Amount recognized as expense amounts to ₹68.63 Lacs (previous year ₹59.61 Lacs)

# NOTES

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## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### b) Defined Benefit Plans

#### I Reconciliation of asset / (liability) recognized in the Balance Sheet (under pre-paid expenses, refer Note 15)

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Fair Value of plan assets as at the end of the year	72.57	68.14
Present Value of Obligation as at the end of the year	(29.89)	(27.94)
Net assets / (liability) in the Balance Sheet	42.68	40.19

#### II Movement in net liability recognized in the Balance Sheet

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Net (assets) as at the beginning of the year	(40.19)	(19.26)
Net expense recognized in the Statement of Profit and Loss	1.67	(19.95)
Contribution during the year	(4.15)	(0.99)
Net (assets) as at the end of the year	(43.64)	(40.19)

#### III Expense Recognized in the profit and loss account (Under the head "Employees benefit expenses" refer Note 20)

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Current Service Cost	11.34	18.93
Interest Cost	2.24	3.58
Expected Return on Plan assets	(5.93)	(5.24)
Actuarial (gains)/losses	(5.97)	(37.21)
Expense charged to the Statement of Profit and Loss	1.68	(19.95)

#### IV Return on Plan Assets

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Expected return on plan assets	5.93	5.24
Actuarial (gains) / losses	(1.62)	0.49
Actual return on plan assets	4.31	5.74

#### V Reconciliation of defined benefits commitments

	For the Year 2013-2014	For the Year 2012-2013
		₹ in Lakhs
Commitments at beginning of the year	27.95	42.19
Current Service Cost	11.34	18.93
Interest Cost	2.24	3.58
Actuarial (gains)/losses	(5.96)	(36.75)
Benefits paid	(5.68)	-
Settlement cost	-	-
Commitments at year end	29.89	27.94

# NOTES

forming part of the consolidated financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### VI Reconciliation of plan assets

	For the Year 2013-2014	For the Year 2012-2013
Fair Value of plan assets at beginning of the year	68.14	42.19
Expected return on plan assets	5.93	5.24
Actuarial gains/(losses)	(1.62)	0.41
Employer contribution	4.15	0.99
Benefits paid	(5.68)	-
Fair Value of plan assets at year end	70.92	68.10

₹ in Lakhs

### VII Experience Adjustment

	For the Year 2013-2014	For the year 2012-13	For the year 2011-12	For the year 2010-11	For the year 2009-10
On Plan liability (gains) / losses	0.54	(37.79)	(3.61)	(0.59)	6.50
On Plan assets gains / (losses)	0.02	0.45	0.43	0.57	(1.58)

₹ in Lakhs

### VIII Actuarial Assumptions

	For the Year 2013-2014	For the Year 2012-2013
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	9.31%	8.00%
Expected Rate of return on Plan assets (per annum)	8.70%	8.70%
Rate of escalation in Salary(per annum)	5.00%	5.00%
Attrition rate	2.00%	2.00%

₹ in Lakhs

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### Composition of plan assets

	For the Year 2013-2014	For the Year 2012-2013
Insurer managed funds	100%	100%

### 23.12 Earning 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 :

	For the Year 2013-2014	For the Year 2012-2013
(a) Profit / (Loss) for the year attributable to equity share holders (₹ in Lacs)	(1,721.24)	1,458.01
(b) Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(c) Earnings per share - Basic and diluted (₹)	(2.64)	2.24
(d) Nominal value of shares (₹)	2	2

# NOTES

forming part of the consolidated financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### 23.13 Components of deferred tax Assets / (Liabilities)

	As at March 31, 2014	As at March 31, 2013
Difference between the books and tax written down values of fixed assets	180.51	139.37
Provision for doubtful debts and advances	72.26	9.69
Disallowance under the Income Tax Act, 1961	-	-
<b>Deferred tax asset/ (liability)-net</b>	<b>252.77</b>	<b>149.06</b>

₹ in Lakhs

### 23.14 Lease Transactions

Amount of lease rentals charged to the profit and loss account in respect of operating leases is ₹ 934.90 Lacs (previous year ₹ 107.18 Lacs).

### 23.15 Segment Information

(A) Information about primary segments

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

- Commissioned Programmes : Income from sale of television serials to channels
- Sponsored Programmes : Income from telecasting of television serials on channels

	Commissioned Programmes		Sponsored Programmes		Feature Films		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	13,348.06	13,568.94	-	399.69	27,134.33	4,463.62	40,482.39	18,432.25
Add: Inter Segment sale	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>13,348.06</b>	<b>13,568.94</b>	<b>-</b>	<b>399.69</b>	<b>27,134.33</b>	<b>4,463.62</b>	<b>40,482.39</b>	<b>18,432.25</b>
Segment result	2,121.43	1,932.22	-	(203.56)	(2,671.80)	200.22	(550.37)	1,928.88
Unallocable expenses (net)							(2,643.54)	(2,102.33)
Operating Income					35.01	-	275.61	166.31
Other Income					9.31	21.28	1,798.40	1,838.08
Profit before tax					(2,627.48)	221.50	(1,119.88)	1,830.94
Tax expense					-	(44.49)	(599.47)	(372.94)
<b>Profit for the year</b>					<b>(2,627.48)</b>	<b>177.01</b>	<b>(1,719.35)</b>	<b>1,458.01</b>
Segment assets	6,900.18	6,059.28	-	112.54	12,056.05	18,081.89	18,956.24	24,253.71
Unallocable assets							24,513.82	20,661.22
<b>Total assets</b>							<b>43,470.06</b>	<b>44,914.93</b>
Segment liabilities	2,257.35	1,613.08	-	10.07	2,097.25	1,889.14	4,354.60	3,512.29
Unallocated liabilities							849.50	1,110.27
<b>Total Liabilities</b>							<b>5,204.10</b>	<b>4,622.56</b>
Other Information								
Capital expenditure (allocable)	116.85	130.27	-	-	122.24	77.80	239.09	208.07
Capital expenditure (unallocable)							-	40.20
Depreciation / Amortisation (allocable)	403.44	586.73	-	1.80	35.18	15.58	438.62	604.11
Depreciation / Amortisation (unallocable)							164.56	197.84

₹ in Lakhs

(B) Segment information for secondary segment reporting (by geographical segment)

The Company has two reportable geographical segments based on location of customers:

- Revenue from customers within India – local
- Revenue from customers Outside India – export

	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	10,417.14	84.85	30,328.87	18,512.63	40,746.01	18,597.48
B) Carrying amount of assets	-	0.53	43,470.06	44,914.40	43,470.06	44,914.93
C) Addition to fixed assets	-	-	178.03	292.53	178.03	292.53

₹ in Lakhs



# NOTES

forming part of the consolidated financial statements

## NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (Contd.)

### 23.16 Details relating to investment in Limited Liability Partnership (LLP)

₹ in Lakhs

Name of the LLP	As at March 31, 2014			As at March 31, 2013		
	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP	Names of partners in the LLP	Total capital	Share of each partner in the profits of the LLP
IPB Capital Advisors LLP	Balaji Telefilms Limited	0.50	50.00%	Balaji Telefilms Limited	0.50	50.00%
	IP Capital Advisors LLP	0.49	49.00%	IP Capital Advisors LLP	0.49	49.00%
	IPM Capital Advisors LLP	0.01	1.00%	IPM Capital Advisors LLP	0.01	1.00%
		<b>1.00</b>	<b>100%</b>		<b>1.00</b>	<b>100%</b>
Indus Balaji Education Capital Advisors LLP	Balaji Telefilms Limited	0.38	18.75%	Balaji Telefilms Limited	0.38	18.75%
	IP Capital Advisors LLP	0.38	18.75%	IP Capital Advisors LLP	0.38	18.75%
	IPX Capital Advisors LLP	0.25	12.50%	IPX Capital Advisors LLP	0.25	12.50%
	Mohit Ralhan	0.50	25.00%	Mohit Ralhan	0.50	25.00%
	IPM Capital Advisors LLP	0.50	25.00%	IPM Capital Advisors LLP	0.50	25.00%
		<b>2.00</b>	<b>100%</b>		<b>2.00</b>	<b>100%</b>

**23.17** Pursuant to the Shareholders' approval at the Annual General Meeting on July 29, 2013, the Subsidiary Company has paid remuneration to the Managing Director. Though the remuneration for the year is as per the shareholders' approval, it exceeds by ₹ 58.76 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Subsidiary Company has already filed an application with the Central Government for approval. The said approval is under process.

### 23.18 Earnings in foreign currency

₹ in Lakhs

	As at 31 March, 2014	As at 31 March, 2013
Sale of Film Rights	10,417.14	84.85

**23.19** The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

### Signatures to notes 1 to 23

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G. Rajan**  
(Director)

**Snehal Shah**  
(Proprietor)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014

# STATEMENT PURSUANT TO SECTION 212

of the Companies Act ,1956 As at March 31, 2014

₹ in Lakhs

Subsidiary	Balaji Motion Pictures Limited	Bolt Media Limited
Holding Company's Interest	100%	100%
Date from which they became Subsidiary Company	Mar 9,2007	Nov 19,2012
Number of Shares held by the holding company	30,000,000	50,000
Net Aggregate (losses)/profit of the current year so far as it concern the member of the holding company		
a. dealt with or provided for in the accounts of the holding company	NIL	NIL
b. not dealt with or provided for in the accounts of the holding company	(2,627.48)	(93.41)
Net aggregate profit /(losses) for previous financial year of the subsidiary so far as it concern the member of the holding company		
a. dealt with or provided for in the accounts of the holding company	NIL	NIL
b. not dealt with or provided for in the accounts of the holding company	(1,379.09)	(51.99)

₹ in Lakhs

Subsidiary	Balaji Motion Pictures Limited	Bolt Media Limited
Issued and subscribed share capital	3,000.00	5.00
Reserves	(4,006.57)	(145.40)
Total Assets	12,056.05	598.49
Total Liabilities	13,062.62	738.89
Investments	NIL	NIL
Turnover	27,178.65	474.98
Profit/(loss) before tax	(2,627.48)	(93.41)
Tax	-	-
Profit/(loss) after tax	(2,627.48)	(93.41)
Proposed Dividend	NIL	NIL

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Managing Director)

**D.G.Rajan**  
(Director)

**Simmi Singh Bisht**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

# DIRECTORS' REPORT

Your Directors take pleasure in presenting the 8th Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2014.

## FINANCIAL RESULTS:

The salient features of the Company's financial results for the year under review are as follows:

Particulars	₹ in Lakhs	
	2013-2014	2012-2013
<b>INCOME FROM OPERATION</b>	271,69.34	44,63.62
Other income	9.31	21.28
<b>Total Revenue</b>	<b>271,78.65</b>	<b>44,84.90</b>
<b>Total Expenditure</b>	<b>(297,52.50)</b>	<b>(42,47.82)</b>
<b>(LOSS) / PROFIT BEFORE DEPRECIATION, INTEREST &amp; TAX</b>	(25,73.85)	2,37.08
Finance costs	(18.45)	-
Depreciation and amortization	(35.18)	(15.58)
(Loss) / Profit before tax	(26,27.48)	2,21.50
Provision for taxation	-	44.49
(Loss) / Profit after tax	(26,27.48)	1,77.01
Balance brought forward from previous year	(13,79.09)	(15,56.10)
<b>Total</b>	<b>(40,06.57)</b>	<b>(13,79.09)</b>
<b>APPROPRIATIONS :</b>		
<b>GENERAL RESERVE</b>	-	-
Balance carried to the balance sheet	(40,06.57)	(13,79.09)

## OPERATIONS AND BUSINESS PERFORMANCE:

Balaji Motion Pictures Limited (BMPL) achieved a turnover of ₹271,69.34 Lacs as against ₹44,63.62 Lacs achieved during the previous fiscal. In the current financial year, BMPL has reported loss of ₹26,27.48 Lacs, as against profit of ₹1,77.01 Lacs in the previous fiscal.

The Company, a wholly owned subsidiary of Balaji Telefilms Limited which is into movie production, has produced and released 6 movies during FY 2014. These were Ek Thi Daayan, Shootout at Wadala, Lootera, Once Upon a Time in Mumbai Dobaara, Shaadi Ke Side Effects and Ragini MMS-2.

In FY 2014, we scaled output substantially with diverse subjects and genres, cementing our position as a film company to reckon with. During the year under review we pride ourselves in being the only studio with the highest industry turnover despite being the youngest in the business. We successfully undertook distribution of some of our movies in limited territories, giving us the confidence to be across the value chain, from production to distribution. Going forward, the Company aims to further scale up its healthy and steady pipeline of movies.

During FY 2015, the Company released Main Tera Hero and Kuku Mathur Ki Jhand Ho Gayi so far. Ek Villan is next in line. A host of other projects are at various stages in their life cycle and are under planning for FY 2015 and FY 2016.

The Company aims to build on its credibility as a leading motion picture studio and maintain focus on scripts, budgets, economies of scale and innovative marketing. The emphasis will continue on optimising risk-return trade-off by pre-sale of rights.

## FINANCIAL STATEMENTS:

The Audited Financial Statements for the year ended March 31, 2014 are annexed to this Report.

## DIVIDEND:

Your Board do not recommend any dividend for the year ended March 31, 2014 to conserve resources for its future plans.

## TRANSFER TO RESERVES:

The Company does not propose to transfer any amount to the reserves.

## SHARE CAPITAL:

During the year under review, there was no change in the Authorised and Paid-up Capital of the Company. As at March 31, 2014, the Authorised Capital of the Company stands at ₹35,00 Lacs and the Paid up Capital of the Company stands at ₹30,00 Lacs. All the shares of the Company are held by Balaji Telefilms Limited, the holding Company and its nominees.

## MATERIAL CHANGES AND COMMITMENTS:

In our view, there are no material changes and commitments occurred between end of the current financial year 2013-14 and the date of this report, which have effect over the financial position of the Company.

## PUBLIC DEPOSITS:

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 58A the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

# DIRECTORS' REPORT (Contd.)

## DIRECTORS:

Mr. D. K. Vasal was appointed as Additional (Non-Executive) Director of the Company w.e.f. May 15, 2014. As per the provisions of Section 161 of the Companies Act, 2013 he will hold office upto the date of the ensuing Annual General Meeting of the Company. Directors recommend his appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. May 15, 2014. The Company has received notice under Section 160 of the Companies Act, 2013, together with requisite deposit proposing appointment of Mr. D. K. Vasal as Director of the Company.

In accordance with the Articles of Association of the Company, Mr. Jeetendra Kapoor Director retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

Mr. P. K. Sarda, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. P. K. Sarda as Director of the Company.

Mr. D. G. Rajan, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. D. G. Rajan as Director of the Company.

Mr. Ashutosh Khanna, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. Ashutosh Khanna as Director of the Company.

Mr. Farouq Rattonsej, Independent Director of the Company be re-appointment as Independent Director for a term of five years at the ensuing Annual General Meeting pursuant to Section 149 (10) of the Companies Act, 2013 w.e.f. April 1, 2014. The Company has received notice under Section 160 of the Companies Act, 2013 together with requisite deposit proposing appointment of Mr. Farouq Rattonsej as Director of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Sub-Section (6) of Section 149 of the Companies Act, 2013.

Mr. Akshay Chudasama ceased to be director of the Company w.e.f. July 31, 2013 due to his resignation.

Mr. Ramesh Sippy ceased to be Whole Time Director of the Company w.e.f. August 1, 2013 due to his resignation.

None of the Directors of the Company are disqualified under Section 274(1)g of the Companies Act, 1956.

## AUDITORS' AND AUDITORS' REPORT:

M/s Deloitte Haskins & Sells LLP, Chartered Accountants and M/s Snehal & Associates, Chartered Accountants, Joint Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from all of them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The Application filed with Central Government for Approval of Appointment and Remuneration of Ms. Ekta Kapoor as Managing Director of the Company is pending for approval.

## AUDIT CHARTER:

The Audit Committee constituted by the Company consists of following directors:

Mr. D. G. Rajan- Chairman

Mr. Jeetendra Kapoor- Member

Mr. Pradeep Sarda- Member

Mr. D. K. Vasal- Member

The Audit Committee acts in accordance with the terms of reference as specified under Section 177(4) of the Companies Act, 2013 and the Scope of Audit Committee as envisaged in Audit Charter.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Directors have constituted the Corporate Social Responsibility Committee. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the said Policy and recommending the amount to be spent on CSR activities.

## WHISTLE BLOWER POLICY:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

## DISCLOSURE OF PARTICULARS:

As required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information regarding conservation of energy and technology absorption is as given below.



## DIRECTORS' REPORT (Contd.)

### CONSERVATION OF ENERGY:

The operations of the Company are not energy intensive. Adequate measures and steps have been taken to reduce energy consumption, wherever possible. Further the Company has spread awareness among the employees on the need to conserve energy, which is well adopted by the employees. We constantly evaluate new technologies and invest into this to make our infrastructure more energy efficient. As energy cost forms a very small part of the total cost, the impact on cost is not material.

### TECHNOLOGY ABSORPTION:

The Company is in the Media and Entertainment industry and carries out research and innovation, on need basis, in creating content in various segments of entertainment as part of its regular ongoing business.

Our business is such that there is not much scope for new technology absorption, adaptation and innovation. However, the Company continues to use the latest technologies for improving the productivity and quality of its services and products, wherever possible.

### PARTICULARS OF EMPLOYEES:

Particulars of employees, as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out as under:

Sr. No	Full Name	Current Designation & Nature of Duties	Gross Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Date of Joining	Age (Years)	Previous Employment	Equity Shares Held
1	*Ms Ekta Kapoor	Managing Director	81,05,350	Graduate	19	March 9, 2007	39	NA	1**
2	Mr. Tanuj Garg	Chief Executive Officer	1,34,99,904	MBA	13	October 18, 2010	35	Head- International Business, Studio 18 UK – A division of Viacom 18 Media (UK) Limited	Nil
3	Ms. Alpana Mishra	Chief Executive Officer- ALT	1,00,00,008	MBA	20	June 18, 2012	41	UTV, Senior VP- COO Producer Motion Pictures Business	Nil

### Notes:-

1. The gross remuneration shown above comprises of salary, commission, allowances, Company's contribution to provident fund, gratuity fund, medical insurance and monetary value of the perquisites as per income tax rules.
2. The employee mentioned above is not related to any Directors of the Company except Ms. Ekta Kapoor who is related to promoter directors of Company. Services of all employees mentioned above are terminable by either party in accordance with the terms and conditions specified in their appointment letter.
3. \*Ms. Ekta Kapoor was appointed as Managing Director of the Company w.e.f. September 1, 2013.
4. \*\*Share held jointly with Balaji Telefilms Limited.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earning in foreign exchange was ₹ 104,17.14 Lacs (Previous year ₹84.85 Lacs).

Expenditure in foreign exchange was ₹ 4,03.90 Lacs (Previous year ₹1,24.66 Lacs).

### FIXED DEPOSITS:

During the year under review the Company has not accepted any fixed deposit and as such, no amount of principal or interest was outstanding as on the balance sheet date.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 and based on the representation received from the operating management, the Directors hereby confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- Such accounting policies had been selected and applied consistently and judgments and estimates, made 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 loss of the Company for the year under review;
- Proper and sufficient care had been taken 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;
- The annual accounts for the financial year ended March 31, 2014 had been prepared on a 'going concern' basis.

### ACKNOWLEDGEMENTS:

Your Directors express their appreciation for the contribution made by the employees and their dedicated service and commitment to the Company's growth.

For and on behalf of the Board of Directors,

**Jeetendra Kapoor**  
Chairman

Mumbai, May 15, 2014

# INDEPENDENT AUDITORS' REPORT

## To the Members of Balaji Motion Pictures Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Balaji Motion Pictures Limited (the Company) which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Emphasis of Matter

Attention is invited to Note 21.12 of the financial statements regarding remuneration paid to the Managing Director which is in excess of the relevant provisions of the Act by ₹ 58.76 lakhs for which the Central Government approval is awaited, as explained in the note.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);
  - (e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

### For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

### A.B. Jani

Partner

(Membership No: 46488)

Mumbai, dated: May 15, 2014

### For Snehal & Associates

Chartered Accountants

(Firm's Registration No: 110314W)

### Snehal Shah

Proprietor

(Membership No: 40016)

Mumbai, dated: May 15, 2014

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# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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## RE: BALAJI MOTION PICTURES LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) According to the information and explanations given to us, the nature of inventories of the Company are such that sub clauses (a), (b) and (c) of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv)
  - (a) The Company has not granted loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (a) to (d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - (b) The Company has taken interest free unsecured loans from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 16,347.32 lakhs and the year-end balance was ₹ 10,965.37 lakhs.
  - (c) In our opinion, the terms and conditions of the loan taken are not, prima facie not prejudicial to the interests of the Company.
  - (d) According to information and explanations given to us, since there are no repayment schedules with regard to the loans taken, clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- (vii) The Company has not accepted any deposit from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
  - (c) There were no dues of Income-tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes.
- (xi) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
  - (xii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from any banks, financial institutions and debenture holders.
  - (xiii) In our opinion, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  - (xv) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year.
  - (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been used during the year for long- term investment to the extent of ₹ 3,974.78 lakhs.
  - (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
  - (xix) The Company has not raised any money by way of public issues during the year.
  - (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**A.B. Jani**  
Partner  
(Membership No: 46488)  
Mumbai, dated: May 15, 2014

For **Snehal & Associates**  
Chartered Accountants  
(Firm's Registration No: 110314W)

**Snehal Shah**  
Proprietor  
(Membership No: 40016)  
Mumbai, dated: May 15, 2014

# BALANCE SHEET

as at March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	3,000.00	3,000.00
(b) Reserves and surplus	4	(4,006.57)	(1,379.09)
		(1,006.57)	1,620.91
<b>2 Current liabilities</b>			
(a) Short-term borrowings	5	10,965.37	14,571.84
(b) Trade payables	21.3	744.24	916.69
(c) Other current liabilities	6	1,353.01	971.32
(d) Short term provisions	7	-	1.13
		13,062.62	16,460.98
<b>TOTAL</b>		<b>12,056.05</b>	<b>18,081.89</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8		
Tangible assets		158.87	73.72
(b) Long-term loans and advances	9	2,809.34	1,703.85
		2,968.21	1,777.57
<b>2 Current assets</b>			
(a) Inventories	10	5,871.76	14,678.07
(b) Trade receivables	11	679.18	311.69
(c) Cash and cash equivalents	12	673.82	116.62
(d) Short-term loans and advances	13	1,713.69	1,197.94
(e) Other current assets	14	149.39	-
		9,087.84	16,304.32
<b>TOTAL</b>		<b>12,056.05</b>	<b>18,081.89</b>
<b>See accompanying notes forming part of the financial statements.</b>			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Director)

**Ekta Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Nivedita Nayak**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014



# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		For the year ended March 31, 2014	For the year ended March 31, 2013
<b>1 Revenue</b>			
Revenue from Operations	15	27,169.34	4,463.62
<b>2 Other income</b>	16	9.31	21.28
<b>3 Total Revenue (1+2)</b>		<b>27,178.65</b>	<b>4,484.90</b>
<b>4 Expenses</b>			
(a) Cost of films produced / acquired / distributed	17	28,113.36	3,299.40
(b) Employee benefits expense	18	778.20	590.55
(c) Finance costs	19	18.45	-
(d) Depreciation / Amortisation expense	8	35.18	15.58
(e) Other expenses	20	860.94	357.87
<b>Total Expenses</b>		<b>29,806.13</b>	<b>4,263.40</b>
<b>5 (Loss)/Profit before tax (3-4)</b>		<b>(2,627.48)</b>	<b>221.50</b>
<b>6 Tax expense:</b>			
Current tax		-	44.49
		-	44.49
<b>7 (Loss)/Profit for the year (5-6)</b>		<b>(2,627.48)</b>	<b>177.01</b>
<b>8 Earnings per equity share (of ₹10 /- each):</b>			
Basic and diluted earnings per share	21.8	(8.76)	0.59
See accompanying notes forming part of the financial statements.			

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Director)

**Ekta Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Nivedita Nayak**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014

# CASH FLOW STATEMENT

for the year ended March 31, 2014

Particulars	₹ in Lacs	
	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
<b>A. Cash Flow from Operating Activities</b>		
(Loss) / Profit before tax	(2,627.48)	221.50
Adjustment for:		
Depreciation / Amortisation	35.18	15.58
Interest income on fixed deposit with bank	(6.17)	(0.40)
Excess provision for earlier years written back	(3.14)	-
Loss on fixed asset written off	0.55	-
Loss on sale of fixed asset	0.06	-
Operating (loss) / profit before working capital changes	(2,601.00)	236.68
(Increase) in trade and other receivables	(2,136.17)	(962.84)
Decrease/ (Increase) in inventories	8,806.31	(11,060.37)
Increase in trade and othe payables	209.30	1,374.09
	4,278.44	(10,412.44)
Direct taxes paid	-	(37.22)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>4,278.44</b>	<b>(10,449.66)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(122.24)	(77.80)
Sale of fixed assets	1.30	-
Interest Received	6.17	0.40
<b>Net cash flow (used in) investing activities (B)</b>	<b>(114.77)</b>	<b>(77.40)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from short-term borrowings	10,316.23	13,241.94
Repayment of short-term borrowings	(13,922.70)	(2,661.76)
<b>Net cash flow (used in) / from financing activities (C)</b>	<b>(3,606.47)</b>	<b>10,580.18</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>557.20</b>	<b>53.12</b>
Cash and cash equivalents at the beginning of the year	116.62	63.50
<b>Cash and cash equivalents at the end of the year</b>	<b>673.82</b>	<b>116.62</b>
<b>See accompanying notes forming part of the financial statements.</b>		

## Note:

Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 12).

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Director)

**Ekta Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Nivedita Nayak**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014

# NOTES

## forming part of the financial statements

### NOTE 1 CORPORATE INFORMATION

Balaji Motion Pictures Limited was incorporated on March 9, 2007 under the Companies Act, 1956 and is in the business of production of films. The Company is a wholly owned subsidiary of Balaji Telefilms Limited.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

#### Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of the revenue and expenses during the reported year. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialize.

#### Fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

#### Depreciation / Amortisation

Depreciation on fixed assets is provided on straight line basis in accordance with provisions of the Companies Act, 1956 at the rates and in the manner specified in schedule XIV of the Act, except in respect of leasehold improvements, where the same is amortised over the period of lease.

#### Impairment loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### Inventories

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

Films	:	Actual Cost
Unamortised cost of films	:	The cost of films is amortised in the ratio of current revenue to expected total revenue. At the end of each accounting period, balance unamortised cost is compared with net expected revenue. If net expected revenue is less than unamortised cost, the same is written down to net expected revenue.

#### Revenue recognition

In respect of films produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.

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

#### Employee benefits

##### a) Post employment benefits and other long term benefits

###### i) Defined Contribution Plans:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

###### ii) Defined Benefit Plans:

The trustees of Balaji Motion Pictures Limited Employees Group Gratuity Scheme have taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

Contributions are made to LIC in respect of gratuity based upon actuarial valuation done at the end of every financial year using 'Projected Unit Credit Method'. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the statement of profit and loss.

##### b) Short Term Employee Benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

# NOTES

## forming part of the financial statements

### 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 expense.

### Borrowing costs

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

### Operating leases

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as expenses in accordance with the respective lease agreements.

### Taxes on income

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available except that the deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India (ICAI).

### Provisions and Contingencies

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

## NOTE 3 SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Authorised		
35,000,000 Equity Shares of ₹10 each with voting rights	3,500.00	3,500.00
	<b>3,500.00</b>	<b>3,500.00</b>
Issued, Subscribed and fully paid-up		
30,000,000 Equity Shares of ₹10 each with voting rights (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	3,000.00	3,000.00
<b>TOTAL</b>	<b>3,000.00</b>	<b>3,000.00</b>

#### Note:

All the above Equity Shares have the same rights to dividend, voting and in case of repayment of Capital.

## NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>(Deficit) in Statement of Profit and Loss</b>		
Opening balance	(1,379.09)	(1,556.10)
Add: (Loss)/Profit for the year	(2,627.48)	177.01
<b>TOTAL</b>	<b>(4,006.57)</b>	<b>(1,379.09)</b>

# NOTES

forming part of the financial statements

## NOTE 5 SHORT-TERM BORROWINGS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Loans and advances from Holding Company (Unsecured)	10,965.37	14,571.84
(Refer note 21.4(b))		
<b>TOTAL</b>	<b>10,965.37</b>	<b>14,571.84</b>

## NOTE 6 OTHER CURRENT LIABILITIES

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Other payables		
(a) Temporarily overdrawn book balances	225.35	-
(b) Other payables		
(i) Statutory liabilities	100.67	5.61
(ii) Advances from customers	1,026.99	965.71
<b>TOTAL</b>	<b>1,353.01</b>	<b>971.32</b>

## NOTE 7 SHORT TERM PROVISIONS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Provision for gratuity (Refer note 21.7 (b))	-	1.13
<b>TOTAL</b>	<b>-</b>	<b>1.13</b>

## NOTE 8 FIXED ASSETS

	Gross Block				Depreciation / Amortisation			Net Block	
	As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Upto March 31, 2013	For the year	On deductions	Upto March 31, 2014	As at March 31, 2014
<b>Tangible Assets</b>									
Computers	7.19	12.97	0.37	19.79	4.76	2.06	0.37	6.45	13.34
	(6.72)	(0.47)	(-)	(7.19)	(3.65)	(1.11)	(-)	(4.76)	(2.43)
Office Equipment	9.17	31.78	1.47	39.48	0.54	1.02	0.02	1.54	37.94
	(1.78)	(7.39)	(-)	(9.17)	(0.28)	(0.26)	(-)	(0.54)	(8.63)
Plant and Machinery-Computer	17.36	-	0.06	17.30	13.24	2.84	0.03	16.05	1.25
	(17.36)	(-)	(-)	(17.36)	(10.43)	(2.81)	(-)	(13.24)	(4.12)
Plant and Machinery-Others	-	69.19	-	69.19	-	6.18	-	6.18	63.01
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Furniture and Fixtures	1.65	6.78	0.58	7.85	0.05	0.18	0.15	0.08	7.77
	(-)	(1.65)	(-)	(1.65)	(-)	(0.05)	(-)	(0.05)	(1.60)
Lease Hold improvements	68.29	-	-	68.29	11.35	22.76	-	34.11	34.18
	(-)	(68.29)	(-)	(68.29)	(-)	(11.35)	(-)	(11.35)	(56.94)
Vehicles	-	1.52	-	1.52	-	0.14	-	0.14	1.38
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	<b>103.66</b>	<b>122.24</b>	<b>2.48</b>	<b>223.42</b>	<b>29.94</b>	<b>35.18</b>	<b>0.57</b>	<b>64.55</b>	<b>158.87</b>
	<b>(25.86)</b>	<b>(77.80)</b>	<b>(-)</b>	<b>(103.66)</b>	<b>(14.36)</b>	<b>(15.58)</b>	<b>(-)</b>	<b>(29.94)</b>	<b>(73.72)</b>

### Note:

Figures in brackets denote previous year figures.



# NOTES

forming part of the financial statements

## NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Security Deposits (refer note below)	239.24	215.94
(b) Capital Advance (refer note 21.4(b))	400.00	1.67
(c) Advance to vendors	1,239.39	1,037.46
(d) Advance income- tax (Net of provisions ₹ 101.94 lacs (As at March 31,2013, ₹ 101.94 lacs))	930.71	448.78
<b>TOTAL</b>	<b>2,809.34</b>	<b>1,703.85</b>

**Note:** Security Deposits includes:

(a) Deposits given to two of the Directors for the properties taken on lease from them (also refer note 21.4 (b))

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Amount outstanding as at the year end	200.00	200.00
Maximum amount outstanding at any time during the year for the above deposits.	200.00	200.00

(b) Deposits given to holding company for the properties taken on lease from the holding company (also refer note 21.4 (b))

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Amount outstanding as at the year end	1.00	-

## NOTE 10 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Films	5,871.76	14,678.07
<b>TOTAL</b>	<b>5,871.76</b>	<b>14,678.07</b>

## NOTE 11 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>Trade receivables</b>		
(a) Outstanding for a period exceeding six months from the date they were due for payment	57.18	10.91
(b) Other Trade receivables	622.00	300.78
<b>TOTAL</b>	<b>679.18</b>	<b>311.69</b>

## NOTE 12 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	1.12	2.73
(b) Balances with banks		
(i) In current accounts	664.70	91.64
(ii) Fixed deposits with bank	8.00	22.25
<b>TOTAL</b>	<b>673.82</b>	<b>116.62</b>

# NOTES

forming part of the financial statements

## NOTE 13 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to employees	5.77	20.88
(b) Prepaid expenses	12.27	5.12
(c) Balances with government authorities (VAT, service tax etc.)	528.56	74.39
(d) Advance to vendors	1,167.09	1,097.55
<b>TOTAL</b>	<b>1,713.69</b>	<b>1,197.94</b>

## NOTE 14 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Unbilled revenue	149.37	-
(b) Interest accrued on fixed deposits with banks	0.02	-
<b>TOTAL</b>	<b>149.39</b>	<b>-</b>

## NOTE 15 REVENUE FROM OPERATIONS

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Sale of Services</b>		
Sale of Film rights	27,134.33	4,427.88
<b>Other Operating Income</b>		
Recovery of advances written-off	35.01	-
Sundry credit balance written back	-	35.74
<b>TOTAL</b>	<b>27,169.34</b>	<b>4,463.62</b>

## NOTE 16 OTHER INCOME

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest income		
On Fixed Deposit with bank	6.17	0.40
On Income-tax Refund	-	12.27
(b) Excess Provision for earlier years written back (net)	3.14	-
(c) Miscellaneous Income	-	8.61
<b>TOTAL</b>	<b>9.31</b>	<b>21.28</b>

# NOTES

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## NOTE 17 COST OF FILM PRODUCED / ACQUIRED / DISTRIBUTED

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock of films	14,678.07	3,617.70
Less: Service tax credit availed*	73.50	-
	14,604.57	3,617.70
Add: Cost of production / acquisition/ distribution		
Acquisition Cost	431.07	484.49
Purchase of costumes and dresses	138.31	154.51
Purchase of tapes / raw stock / negative	284.23	151.30
Artists, Directors and other technician fees	4,958.53	4,161.45
Shooting and location expenses (Refer Note 21.10)	1,402.39	1,234.08
Set properties and equipment hire charges	879.28	622.68
Insurance expense	105.36	45.09
Line production cost	2,547.93	5,608.30
Marketing and Distribution Expenses	7,617.55	1,238.25
Other production expenses	1,015.91	659.61
	19,380.55	14,359.77
	33,985.12	17,977.47
Less: Closing stock of films	5,871.76	14,678.07
<b>TOTAL</b>	<b>28,113.36</b>	<b>3,299.40</b>

\*pertains to service tax credit availed in current year in respect of cost of film produced/acquired and included in inventory

## NOTE 18 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	738.75	562.46
Contributions to Provident and Other Funds	32.02	26.31
Staff welfare expenses	7.43	1.78
<b>TOTAL</b>	<b>778.20</b>	<b>590.55</b>

## NOTE 19 FINANCE COST

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest on delayed payment of Taxes etc.	18.45	-
<b>TOTAL</b>	<b>18.45</b>	<b>-</b>

# NOTES

forming part of the financial statements

## NOTE 20 OTHER EXPENSES

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Power and fuel	17.92	1.46
Rent including lease rentals (Refer Note 21.10)	76.32	9.65
Repairs and maintenance - Machinery	6.30	0.47
Repairs and maintenance - Others	50.45	3.13
Rates and taxes	84.15	0.61
Communication expenses	9.02	8.45
Legal and Professional charges	304.19	148.81
Business promotion expenses	93.07	48.97
Travelling and Conveyance Expenses	45.81	17.01
Donations and contributions	0.59	12.97
Directors Sitting Fees	2.39	2.27
Loss on sale of fixed assets	0.06	-
Loss on fixed asset written off	0.55	-
Foreign exchange loss (net)	38.94	0.61
Miscellaneous expenses *	131.18	103.46
<b>TOTAL</b>	<b>860.94</b>	<b>357.87</b>

\*Miscellaneous expenses include security charges, printing and stationery, house keeping etc.

## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

**21.1** The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings. Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹265.80 lacs from their customers and deposited the same 'under protest' with the authorities.

### 21.2 Auditors Remuneration

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the year ended March 31, 2013
For Statutory Audit	9.70	9.70
For Tax Audit	1.00	1.00
For Taxation matters	2.50	2.50
For other services	-	0.20
Reimbursement of expenses	0.23	0.26
For service tax	1.66	1.69
<b>TOTAL</b>	<b>15.09</b>	<b>15.35</b>

**21.3** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

# NOTES

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## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

### 21.4 Related Party Transactions

#### (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	Key management person
Mr. Ramesh Sippy	Relative of Key management person
Raksha Entertainment Private Limited	Company owned by relative of Key management person
M/s. J K Developers	Sole proprietary firm of a Key management person
Balaji Telefilms Limited	Holding Company
Bolt Media Limited	Fellow Subsidiary

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

Nature of Transactions	₹ in Lakhs						Total
	Holding Company	Key Management Person	Relative of Key Management Person	Company owned by relative of Key Management Person	Sole proprietary firm of a Key management person		
<b>Loan Received</b>							
Balaji Telefilms Limited	10,316.23	-	-	-	-	-	10,316.23
	(13,241.94)	(-)	(-)	(-)	(-)	(-)	(13,241.94)
<b>Loan Repaid</b>							
Balaji Telefilms Limited	13,922.70	-	-	-	-	-	13,922.70
	(2,661.76)	(-)	(-)	(-)	(-)	(-)	(2,661.76)
<b>Rent Paid</b>							
Balaji Telefilms Limited	12.00	-	-	-	-	-	12.00
	(0.90)	(-)	(-)	(-)	(-)	(-)	(0.90)
Mr. Jeetendra Kapoor	-	14.67	-	-	-	-	14.67
	(-)	(3.89)	(-)	(-)	(-)	(-)	(3.89)
Ms. Ekta Kapoor	-	12.49	-	-	-	-	12.49
	(-)	(3.31)	(-)	(-)	(-)	(-)	(3.31)
<b>Deposit paid</b>							
Mr. Jeetendra Kapoor	-	-	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor	-	-	-	-	-	-	-
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
<b>Balaji Telefilms Limited</b>	1.00	-	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Capital Advances</b>							
M/s. J K Developers	-	-	-	-	400.00	-	400.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>Directors sitting fees</b>							
Mr. Jeetendra Kapoor	-	0.40	-	-	-	-	0.40
	(-)	(0.41)	(-)	(-)	(-)	(-)	(0.41)



# NOTES

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## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

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

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Company owned by relative of Key Management Person	Sole proprietary firm of a Key management person	₹ in Lakhs
						Total
<b>Remuneration (w.e.f September 1, 2013)</b>						
Ms. Ekta Kapoor	-	81.05	-	-	-	81.05
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Artist fees</b>						
Mr. Tusshar Kapoor	-	21.50	-	-	-	21.50
	(-)	(103.09)	(-)	(-)	(-)	(103.09)
<b>Legal and Professional charges</b>						
Mr. Ramesh Sippy	-	-	3.20	-	-	3.20
	(-)	(-)	(14.75)	(-)	(-)	(14.75)
<b>Sale of film rights</b>						
Raksha Entertainment Pvt Ltd	-	-	-	116.45	-	116.45
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Amount payable As at March 31, 2014</b>						
Balaji Telefilms Limited	10,965.37	-	-	-	-	10,965.37
	(14,572.45)	(-)	(-)	(-)	(-)	(14,572.45)
<b>Amount receivable As at March 31, 2014</b>						
Mr. Jeetendra Kapoor*	-	100.00	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor*	-	100.00	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Balaji Telefilms Limited	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Raksha Entertainment Pvt Ltd	-	-	-	31.45	-	0.00
	(-)	(-)	(-)	(-)	(-)	(-)

(i) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.

(ii) Figures in bracket relate to the previous year.

\* - Deposit for leased property

### 21.5 Earnings in foreign currency

	As at March 31, 2014	As at March 31, 2013
Sale of Film Rights	10,417.14	84.85

### 21.6 Expenditure in foreign currency

	As at March 31, 2014	As at March 31, 2013
Shooting and location expenses	402.93	107.65
Travelling and Conveyance Expenses	0.97	17.01

# NOTES

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## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

### 21.7 Employee Benefits

#### a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 34.01 Lacs (previous year ₹ 22.20 Lacs).

#### b) a) Defined Benefit Plans

#### I Reconciliation of asset / (liability) recognized in the Balance Sheet (under short-term provisions refer Note 7)

	As at March 31, 2014	As at March 31, 2013
Fair Value of plan assets as at the end of the year	14.25	8.94
Present Value of Obligation as at the end of the year	(10.04)	(10.07)
Net (assets) / liability in the Balance Sheet	(4.21)	1.13

₹ in Lakhs

#### II Movement in net liability recognized in the Balance Sheet

	For the year 2013-2014	For the year 2012-2013
Net (assets)/liability as at the beginning of the year	1.13	(1.98)
Net expense recognized in the Statement of Profit and Loss	(1.18)	4.10
Contribution during the year	(4.15)	(0.99)
Net liability/(assets) in the Balance Sheet	(4.21)	1.13

₹ in Lakhs

#### III Expense Recognized in the Statement of profit and loss (Under the head "Employees benefit expenses" refer Note 18)

	For the year 2013-2014	For the year 2012-2013
Current Service Cost	5.89	3.87
Interest Cost	0.81	0.44
Expected Return on Plan assets	(0.78)	(0.58)
Actuarial (gains)/losses	(7.10)	0.37
Expense / (gain) charged to the Statement Profit and Loss	(1.18)	4.10

₹ in Lakhs

#### IV Return on Plan Assets

	For the year 2013-2014	For the year 2012-2013
Expected return on plan assets	0.78	0.57
Actuarial gains / (losses)	0.37	0.16
Actual return on plan assets	1.15	0.73

₹ in Lakhs

# NOTES

forming part of the financial statements

## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

### 21.7 Employee Benefits (contd.)

#### V Reconciliation of defined benefits commitments

	For the year 2013-2014	For the year 2012-2013
		₹ in Lakhs
Commitments at beginning of the year	10.07	5.24
Current Service Cost	5.89	3.87
Interest Cost	0.81	0.44
Actuarial (gains)/losses	(6.73)	0.52
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	10.03	10.07

#### VI Reconciliation of plan assets

	For the year 2013-2014	For the year 2012-2013
		₹ in Lakhs
Fair Value of plan assets at beginning of the year	8.94	7.22
Expected return on plan assets	0.78	0.57
Actuarial gains/(losses)	0.37	0.16
Employer contribution	4.15	0.99
Benefits paid	-	-
Fair Value of plan assets at year end	14.25	8.94

#### VII Experience Adjustment

	For the year 2013-2014	For the year 2012-2013	For the year 2011-2012	For the year 2010-2011	For the year 2009-2010
					₹ in Lakhs
On Plan liability (gains) / losses	(4.32)	0.14	(0.31)	(2.66)	0.05
On Plan assets gains / (losses)	0.37	0.16	0.24	0.25	0.01

#### VIII Actuarial Assumptions

	For the year 2013-2014	For the year 2012-2013
		₹ in Lakhs
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	9.31%	8.00%
Expected Rate of return on Plan assets (per annum)	8.70%	8.70%
Rate of escalation in Salary(per annum)	5.00%	5.00%
Attrition rate	2.00%	2.00%

# NOTES

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## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### Composition of plan assets

	For the year 2013-2014	For the year 2012-2013
Insurer managed funds	100%	100%

### 21.8 Earning 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 :

	For the year 2013-2014	For the year 2012-2013
(a) (Loss) / Profit for the year attributable to equity share holders (₹ in Lacs)	(2,627.48)	177.01
(b) Weighted average number of equity shares outstanding during the year (Nos.)	30,000,000	30,000,000
(c) Earnings per share - Basic and diluted (₹)	(8.76)	0.59
(d) Nominal value of shares (₹)	10	10

**21.9** In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid AS 22.

### 21.10 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 170.55 Lacs (previous year ₹7.30 Lacs).

### 21.11 Segment Information

#### (A) Information about primary segments

The primary segment of the Company is business segment which comprises of carrying on the business of production and / or distribution of motion pictures and films. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

#### (B) Segment information for secondary segment reporting (by geographical segment)

The Company has two reportable geographical segments based on location of customers:

- i) Revenue from customers within India – local
- ii) Revenue from customers Outside India – export

# NOTES

forming part of the financial statements

## NOTE 21 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

₹ in Lakhs

	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	10,417.14	84.85	16,752.20	4,378.77	27,169.34	4,463.62
B) Carrying amount of assets	-	0.53	12,056.05	18,081.36	12,056.05	18,081.89
C) Addition to fixed assets	-	-	122.24	77.80	122.24	77.80

**21.12** Pursuant to the Shareholders' approval at the Annual General Meeting on July 29, 2013, the Company has paid remuneration to the Managing Director. Though the remuneration for the year is as per the shareholders' approval, it exceeds by ₹ 58.76 lakhs as determined under Section 349 of the Companies Act, 1956 for which the Company has already filed an application with the Central Government for approval. The said approval is under process.

**21.13** The accumulated losses of ₹4,006.57 Lacs as at March 31, 2014 have fully eroded the networth of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 21.4 (b)) as sanctioned by the Board and its future profitability. The Company has identified the Film Business as its strategic growth area for the group and has various projects currently under production/development and the management is fully confident about the long-term profitability of its movie businesses which has a long gestation period in terms of setting up various in-house functions for optimal utilization of resources, scalability and its monetization.

**21.14** On April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company has received notices under section 153A of Income-tax Act, 1961 and the Company has complied with the requirements of the said notices. Since the proceedings are pending completion, the tax liability, if any, would be ascertained and provided on the completion of the assessments under these proceedings.

**21.15** The figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

### Signatures to notes 1 to 21

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**A. B. Jani**  
(Partner)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Director)

**Ekta Kapoor**  
(Managing Director)

Place : Mumbai  
Date : May 15, 2014

For **Snehal & Associates**  
Chartered Accountants

**D.G.Rajan**  
(Director)

**Nivedita Nayak**  
(Company Secretary)

**Sanjay Dwivedi**  
(Chief Financial Officer)

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014



# DIRECTORS' REPORT

Your Directors have pleasure in presenting their 2nd Directors' Report of the Company together with the Audited Accounts of the Company for the year ended March 31, 2014.

## FINANCIAL RESULTS:

The salient features of the Company's financial results for the year under review are as follows:

Particulars	₹ in Lakhs	
	April 1, 2013 – March 31, 2014	November 19, 2012 – March 31, 2013
<b>Income from operations</b>	<b>4,74.98</b>	<b>49.51</b>
<b>Total expenditure</b>	<b>(5,45.77)</b>	<b>(1,01.50)</b>
Operating loss	(70.79)	(51.99)
Depreciation	(22.62)	-
<b>Loss for the year/period before tax</b>	<b>(93.41)</b>	<b>(51.99)</b>
Provision for taxation	-	-
Loss for the year/period after tax	(93.41)	(51.99)
Loss brought forward from previous period	(51.99)	-
<b>Loss carried to the Balance Sheet</b>	<b>(1,45.40)</b>	<b>(51.99)</b>

## OPERATIONS AND BUSINESS PERFORMANCE:

During the year under review, the Company achieved a turnover of ₹ 4,74.98 Lacs as against ₹ 49.51 Lacs achieved in the previous period. In the current financial year the Company reported a net loss of ₹ 93.41 Lacs as compared to a net loss of ₹ 51.99 Lacs in the previous period.

The Company, a wholly owned subsidiary of Balaji Telefilms Limited, has completed one full year of operations during FY2014 and has established itself well in the entertainment fraternity. During the year under review, it created two new TV shows – Ye Jawaani Tara Riri, a 78-part series for a bi-weekly show on Channel V, and Love by Chance, an episodic romcom on Bindaas TV, these shows would be broadcasted in the fiscal year 2014-15. In addition, two more TV shows created in this fiscal year are also in the process of getting aired by broadcasters. One of these is a 10-series epic documentary, while Dharma Kshetra, the second one, is a 26-series neo-mythological courtroom drama.

During the year, the Company has signed an AFP with the consumer products major Johnson & Johnson India to create a TV show for Life OK. This specialised show focused on how some successful women namely, Ekta Kapoor, Kiran Bedi, Anjali Bhagwat, Deepika Kumari, Chhavi Rajavat, among others, achieved their true calling in the light of change. The Company is currently in the process of producing TV commercials and web-based advertisements for Johnson & Johnson India. The Company aims to double its top line by the end of FY2015.

We remain optimistic about the growth and potential of the Company and would continue to explore and chart out exciting and unexplored opportunities of growth.

## DIVIDEND:

This being the initial year of operations for the Company, your Directors regret their inability to recommend any dividend.

## TRANSFER TO RESERVES:

The Company does not propose to transfer any amount to the reserves.

## SHARE CAPITAL:

During the year under review, there was no change in the Authorised and Paid-up Capital of the Company. As at March 31, 2014, the Authorised and Paid up Capital of the Company stands at ₹ 5 Lacs. All the shares of the Company are held by Balaji Telefilms Limited, the holding Company and its nominees.

## PUBLIC DEPOSITS:

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 58A the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

## DIRECTORS:

In accordance with the Articles of Association of the Company, Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor, Directors retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

A brief profile of these Directors containing the details of their age, qualifications, expertise, other directorships, committee memberships, etc. has been given in the Notice for the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified under section 274(1)g of the Companies Act, 1956.

## AUDITORS AND AUDITOR'S REPORT:

M/s. Snehal & Associates, Chartered Accountants, the Statutory Auditors will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The observations of the Auditors in their report read with relevant notes to accounts are self-explanatory and do not require further explanation.

# DIRECTORS' REPORT (Contd.)

## AUDIT COMMITTEE :

The Company has not constituted Audit Committee, as the provision of section 292(A) of the Companies Act, 1956 and section 177 of the Companies Act, 2013 are not applicable to it.

## WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

## PARTICULARS OF EMPLOYEES:

Particulars of employees, as required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are set out as under:

Sr. No.	Full Name	Current Designation & Nature of Duties	Gross Remuneration (₹)	Qualification	Date of Joining	Experience (Years)	Age (Years)	Previous Employment	Equity Shares Held
1	Mr. Vaibhav Modi	Chief Executive Officer	85,56,204	BSc, Environmental Biology, MBA-Marketing	September 29, 2012	15	37	Star India Pvt. Ltd.	NIL

Notes:-

- The gross remuneration shown above comprises of salary, commission, allowances, Company's contribution to provident fund, gratuity fund, medical insurance and monetary value of the perquisites as per income tax rules.
- The employee mentioned above is not related to any Directors of the Company. Services of employee mentioned above are terminable by either party in accordance with the terms and conditions specified in their appointment letter.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

The Company is not engaged in manufacturing activities and as such, particulars relating to conservation of energy and technology absorption are not applicable. However, in studios, post production facilities etc. adequate measures are being taken to conserve energy as far as possible.

## FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review there are no foreign exchange earnings or outgo.

## FIXED DEPOSITS:

During the year under review the Company has not accepted any fixed deposit and as such, no amount of principal or interest was outstanding as on the balance sheet date.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board reports that:

- In the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to any material departures;
- Such accounting policies had been selected and applied consistently and judgments and estimates, made 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 loss of the Company for the year under review;
- Proper and sufficient care had been taken 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;
- The annual accounts for the financial year ended March 31, 2014 had been prepared on a 'going concern' basis.

## ACKNOWLEDGEMENTS:

Your Directors express their appreciation for the contribution made by the employees and their dedicated service and commitment to the Company's growth.

For and on behalf of the Board of Directors,

**Jeetendra Kapoor**  
Chairman

Mumbai, May 15, 2014

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# INDEPENDENT AUDITORS' REPORT

To the Members of Bolt Media Limited

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## Report on the Financial Statements

We have audited the accompanying financial statements of Bolt Media Limited (the Company), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards Notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1) (g) of the Act.

For **Snehal & Associates**  
Chartered Accountants  
FRN:110314W

**Snehal Shah**  
Proprietor  
(Membership No.: 040016)  
Place : Mumbai,  
Dated: May 15, 2014

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## RE: BOLT MEDIA LIMITED

### (Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i. The nature of the Company's activities are such that clauses (x), (xiii), (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to information and explanations given to us, the management has physically verified its fixed assets as per its phased program of physical verification and no material discrepancies were noticed on such verification. Further, the necessary records of physical verification have been maintained by the Company.
  - c) Since none of the fixed assets were disposed of during the year clause (i) (c) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iii. According to the information and explanation given to us, the nature of inventories of the Company are such that sub clauses (a),(b),(c) of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv.
  - a) The Company has not granted loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clause (iii)(a) to (d) paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  - b) The Company has taken interest free unsecured loan from its Holding Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 4,79.86 lacs and end of year balance was ₹ 4,52.98 lacs.
  - c) In our opinion, the terms and conditions of the loan taken are not, prima facie prejudicial to the interests of the Company.
  - d) According to the information and explanations given to us, since there are no re-payment schedules with regard to the loans taken clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and with regard to the sale of services. During the course of audit, we have not observed any continuing failure to correct major weakness in internal control system.
- vi. In our opinion and according to the information & explanations given to us, there are no contracts/arrangements particulars of which need to be entered into a Register maintained in pursuance of Section 301 of the Companies Act, 1956. Consequently, the question of commenting on the reasonableness of prices of transactions made in pursuance of such contracts or arrangements, exceeding the value of ₹ 5 lakhs in respect of each party does not arise.
- vii. The Company has not accepted any deposit from the public.
- viii. Since, the paid up capital and reserves of the Company doesn't exceed ₹ 50 lacs and average annual turnover does not exceed ₹ 5 crores, clause (vii) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company for the year.
- ix. As explained to us, maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 as prescribed by the Central Government is not applicable in the case of the Company.
- x. According to the information and explanations given to us in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Income tax, Service tax and other material statutory dues applicable to it with the appropriate authorities.
  - b. According to information and explanations given to us, there are no dues outstanding on account of income tax, service tax and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- xi. In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks and financial institutions. Consequently the question on commenting on the default in repayment of dues does not arise.
- xii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares or other securities.
- xiii. In our opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others, banks or financial institutions.
- xiv. In our opinion and according to the information and explanations given to us, by the management, the Company has not taken any term loans during the year.
- xv. In our opinion and according to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xvi. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xvii. According to information and explanations given to us, the Company has not issued debentures during the year.
- xviii. The Company has not raised any money by way of public issues during the year.
- xix. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Snehal & Associates**  
Chartered Accountants  
FRN:110314W

**Snehal Shah**  
Proprietor  
(Membership No.:040016)  
Place :Mumbai,  
Dated: May 15, 2014

# BALANCE SHEET

as at March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	5.00	5.00
(b) Reserves and surplus	4	(1,45.40)	(51.99)
		(1,40.40)	(46.99)
<b>2 Current liabilities</b>			
(a) Short-term borrowings	5	4,52.98	73.13
(b) Trade payables	18.2	1,34.92	40.58
(c) Other current liabilities	6	1,50.51	78.03
(d) Short Term Provisions	7	0.48	0.80
		7,38.89	1,92.54
<b>TOTAL</b>		<b>5,98.49</b>	<b>1,45.55</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8	0.75	-
Capital work-in-progress		-	22.50
(b) Long-term loans and advances	9	35.89	10.05
		36.64	32.55
<b>2 Current assets</b>			
(a) Inventories	10	4,78.27	37.99
(b) Trade receivables	11	23.43	30.63
(c) Cash and cash equivalents	12	17.45	22.90
(d) Short-term loans and advances	13	42.71	21.48
		5,61.85	1,13.00
<b>TOTAL</b>		<b>5,98.49</b>	<b>1,45.55</b>
<b>See accompanying notes forming part of the financial statements.</b>			

In terms of our report attached  
For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**D.G.Rajan**  
(Director)

Place : Mumbai  
Date : May 15, 2014

**Shobha Kapoor**  
(Director)

**Sanjay Dwivedi**  
(Chief Financial Officer)



# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No.	₹ in Lakhs	
		For the year ended March 31, 2014	For the period November 19,2012 to March 31, 2013
<b>1 Revenue</b>			
Revenue from Operations	14	4,74.98	49.51
<b>Total Revenue</b>		<b>4,74.98</b>	<b>49.51</b>
<b>2 Expenses</b>			
(a) Cost of Production	15	3,75.99	38.36
(b) Employee benefits expense	16	1,39.63	57.61
(c) Other expenses	17	30.15	5.53
(d) Depreciation	8	22.62	-
<b>Total Expenses</b>		<b>5,68.39</b>	<b>1,01.50</b>
<b>3 Loss for the Period (1-2)</b>		<b>(93.41)</b>	<b>(51.99)</b>
<b>4 Tax expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax		-	-
		-	-
<b>5 Loss for the Period (3-4)</b>		<b>(93.41)</b>	<b>(51.99)</b>
<b>6 Earnings per equity share (of ₹10 /- each):</b>			
Basic and diluted earnings per share	19.6	(0.00)	(0.00)
<b>See accompanying notes forming part of the financial statements.</b>			

In terms of our report attached  
For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**D.G.Rajan**  
(Director)

Place : Mumbai  
Date : May 15, 2014

**Shobha Kapoor**  
(Director)

**Sanjay Dwivedi**  
(Chief Financial Officer)

# CASH FLOW STATEMENT

for the year ended March 31, 2014

Particulars	₹ in Lacs	
	For the Year Ended March 31, 2014	For the period November 19,2012 to March 31, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) before tax	(93.41)	(51.99)
Adjustments for:		
Depreciation	22.62	-
Operating profit/(loss) before working capital changes	<b>(70.79)</b>	<b>(51.99)</b>
(Increase) in trade and other receivables	(14.03)	(52.11)
(Increase) in inventories	(4,40.28)	(37.99)
Increase in trade and other payables	1,66.50	1,19.40
Cash from operations	(3,58.60)	(22.68)
Income-tax refund received/(paid)	(25.84)	(10.05)
<b>NET CASH (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(3,84.44)</b>	<b>(32.73)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (B)	<b>(0.86)</b>	<b>(22.50)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Share Capital	-	5.00
Proceeds from short-term borrowings	3,79.85	73.13
Repayment of short-term borrowings	-	-
<b>NET CASH (USED IN) FINANCING ACTIVITIES (C)</b>	<b>3,79.85</b>	<b>78.13</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(5.45)</b>	<b>22.90</b>
Cash and cash equivalents at the beginning of the year	22.90	-
<b>Cash and cash equivalents at the end of the year</b>	<b>17.45</b>	<b>22.90</b>

In terms of our report attached  
For **Snehal & Associates**  
Chartered Accountants

**Snehal Shah**  
(Proprietor)

Place : Mumbai  
Date : May 15, 2014

For and on behalf of the Board of Directors

**Jeetendra Kapoor**  
(Chairman)

**D.G.Rajan**  
(Director)

Place : Mumbai  
Date : May 15, 2014

**Shobha Kapoor**  
(Director)

**Sanjay Dwivedi**  
(Chief Financial Officer)

# NOTES

forming part of the financial statements

## NOTE 1 CORPORATE INFORMATION

Incorporated on November 19, 2012, BOLT Media Limited is a wholly owned subsidiary of Balaji Telefilms Limited and is involved in production of non-fiction/fiction/reality/factual television shows, events management, branded entertainment, digital content, consultancy and creative services related to it.

## NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

### Basis of preparation of financial statements

The financial statements have been prepared to comply with accounting principles generally accepted in India, the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956

### Use of Estimates

The preparation of financials statements, in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of the revenue and expenses during the reported year. Differences between the actual results and the estimates are recognized in the year in which the results are known / materialized.

### Fixed assets

Fixed assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation / amortization and impairment loss, if any.

### Depreciation / Amortization

Depreciation on fixed assets is provided on straight line basis in accordance with provisions 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 which are depreciated as per management estimates of their useful life which are as under:

Studios and sets @ 33.33%

Leasehold improvements are amortized over the period of lease

### Impairment loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

### Inventories

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

Television serials : Average cost

### Revenue recognition

In respect of the Commissioned programmes, revenue is recognised as and when the relevant episodes of the program are delivered and technical clearance is received from the broadcasting channels.

In all other cases, revenue (income) is recognized when risk and reward is transferred and no significant uncertainty as to its determination and realization exists.

### Employee benefits

#### a) Post employment benefits and other long term benefits

Liability in respect of gratuity is computed based upon actuarial valuation done at the end of each financial year using 'Projected Unit Credit Method' carried out by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted in the Statement of profit and loss account.

#### b) Short Term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

# NOTES

## forming part of the financial statements

### 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 expense.

### Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the 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 of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, using the applicable tax rates.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty, that sufficient future income will be available except that the deferred tax assets, in case there are unabsorbed depreciation and losses, are recognized if there is a virtual certainty that sufficient future taxable income will be available to realize the same.

### Provisions and Contingencies

Provision is recognized in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any, are disclosed in the notes to the financial statements.

### NOTE 3 SHARE CAPITAL

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>(a) Authorised</b>		
50,000 Equity Shares of ₹ 10/- each with voting rights	5.00	5.00
	<b>5.00</b>	<b>5.00</b>
<b>(b) Issued, Subscribed and fully paid up</b>		
50,000 Equity Shares of ₹ 10/- each with voting rights (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>

### NOTE 4 RESERVES AND SURPLUS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>(Deficit) in Statement of Profit and Loss</b>		
Opening balance	(51.99)	-
Add: Loss for the year	(93.41)	(51.99)
<b>TOTAL</b>	<b>(1,45.40)</b>	<b>(51.99)</b>

### NOTE 5 SHORT-TERM BORROWINGS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Loans and advances from Holding Company (Unsecured)	4,52.98	73.13
<b>TOTAL</b>	<b>4,52.98</b>	<b>73.13</b>

# NOTES

forming part of the financial statements

## NOTE 6 OTHER CURRENT LIABILITIES

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Other payables		
(i) Statutory liabilities	6.20	1.30
(ii) Advances from customers	1,44.31	76.73
<b>TOTAL</b>	<b>1,50.51</b>	<b>78.03</b>

## NOTE 7 SHORT TERM PROVISIONS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Provision for gratuity	0.48	0.80
<b>TOTAL</b>	<b>0.48</b>	<b>0.80</b>

## NOTE 8 FIXED ASSETS

Particulars	Gross Block				Depreciation / Amortisation				Net Block
	As at April 01, 2013	Additions	Deductions	As at March 31, 2014	Upto March 31, 2013	For the year	On deductions	Upto March 31, 2014	As at March 31, 2014
<b>Tangible Assets</b>									
Computers	-	0.86	-	0.86	-	0.12	-	0.12	0.75
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sets & Studios	-	22.50	-	22.50	-	22.50	-	22.50	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
<b>TOTAL</b>	-	<b>23.36</b>	-	<b>23.36</b>	-	<b>22.62</b>	-	<b>22.62</b>	<b>0.75</b>
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Note: Figures in brackets denote previous years figures

## NOTE 9 LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Advance Tax	35.89	10.05
<b>TOTAL</b>	<b>35.89</b>	<b>10.05</b>

## NOTE 10 INVENTORIES

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
Serials	4,78.27	37.99
<b>TOTAL</b>	<b>4,78.27</b>	<b>37.99</b>

## NOTE 11 TRADE RECEIVABLES (UNSECURED, CONSIDERED GOOD)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>Trade receivables</b>		
(a) Outstanding for a period exceeding six months from the date they were due for payment	-	-
(b) Other trade receivables	23.43	30.63
<b>TOTAL</b>	<b>23.43</b>	<b>30.63</b>



# NOTES

forming part of the financial statements

## NOTE 12 CASH AND CASH EQUIVALENTS

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Cash on hand	0.23	4.01
(b) Balances with banks in current account	17.22	18.89
<b>TOTAL</b>	<b>17.45</b>	<b>22.90</b>

## NOTE 13 SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

Particulars	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
(a) Security Deposit	0.05	5.00
(b) Balances with government authorities	42.44	15.38
(c) Advance to vendors	0.22	1.10
<b>TOTAL</b>	<b>42.71</b>	<b>21.48</b>

## NOTE 14 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2014	For the period November 19,2012 to March 31, 2013
Commissioned Sales	4,69.48	45.01
Service Income	5.50	4.50
<b>TOTAL</b>	<b>4,74.98</b>	<b>49.51</b>

## NOTE 15 COST OF TV SERIES PRODUCED

Particulars	₹ in Lakhs	
	For the Year Ended March 31, 2014	For the period November 19,2012 to March 31, 2013
<b>COST OF TV SERIES PRODUCED</b>		
Opening stock of Serials/Content	37.99	-
Add: Cost of production		
Purchase of costumes and dresses	17.59	0.98
Purchase of tapes	6.09	0.06
Artists, junior artists, dubbing artists fees	1,17.89	4.59
Directors, technicians and other fees	3,50.64	30.45
Shooting and location expenses	1,62.02	25.00
Food and refreshments	21.18	1.35
Set properties and equipment hire charges	78.59	10.57
Other production expenses	60.50	3.35
Insurance charges	1.78	-
	8,16.27	76.35
	8,54.26	76.35
Less: Closing stock of Serials/Content	(4,78.27)	(37.99)
<b>TOTAL</b>	<b>3,75.99</b>	<b>38.36</b>

## NOTE 16 EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the period November 19,2012 to March 31, 2013
Salaries and wages	1,39.95	56.81
Contributions to Provident and Other Funds	(0.32)	0.80
<b>TOTAL</b>	<b>1,39.63</b>	<b>57.61</b>

# NOTES

forming part of the financial statements

## NOTE 17 OTHER EXPENSES

Particulars	₹ in Lakhs	
	For the year ended March 31, 2014	For the period November 19 2012 to March 31,2013
Insurance	0.36	-
Rates and taxes	1.26	0.04
Telephone charges	0.11	-
Repairs & Maintenance	1.88	0.28
Legal and Professional charges	24.24	4.21
Director Sitting Fees	0.30	-
Business Promotion	0.14	-
Travelling and Conveyance Expenses	0.02	0.20
Marketing and Distribution Expenses	-	0.75
Miscellaneous expenses	1.84	0.06
<b>TOTAL</b>	<b>30.15</b>	<b>5.53</b>

## NOTE 18 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS

### 18.1 Payment to Auditors

Particulars	₹ in Lakhs	
	As at 31 March, 2014	As at 31 March, 2013
For Statutory Audit	0.75	0.75
For Tax Audit	0.50	0.50
For other services	1.00	1.50
Service Tax	0.28	0.34
<b>TOTAL</b>	<b>2.53</b>	<b>3.09</b>

**18.2** As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006.

### 18.3 Related Party Transactions

(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	Key management person
Balaji Telefilms Limited	Holding Company
Balaji Motion Pictures Limited	Fellow Subsidiary Company

# NOTES

forming part of the financial statements

## NOTE 18 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

### 18.4

(b) Details of Transactions with related parties during the period.

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	₹ in Lakhs
				Total
<b>Loan Received</b>				
Balaji Telefilms Limited	4,79.86	-	-	4,79.86
	(73.13)	-	-	(73.13)
<b>Loan Repaid</b>				
Balaji Telefilms Limited	1,00.02	-	-	1,00.02
	(-)	(-)	(-)	(-)
<b>Commissioned Sales</b>				
Balaji Telefilms Limited	40.00	-	-	40.00
	(-)	(-)	(-)	(-)
<b>Loan payable as at March 31, 2014</b>				
Balaji Telefilms Limited	4,52.98	-	-	4,52.98
	(73.13)	-	-	(73.13)

#### Note

(i) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.

### 18.5 Employee Benefits

a) Defined Contribution Plans

Since, the number of employees are less than 20, no contribution to provident fund is being made.

b) a) Defined Benefit Plans

I Reconciliation of asset / (liability) recognized in the Balance Sheet

	For the Year 2013-2014	For the Year 2012-2013
Fair Value of plan assets as at the end of the year	-	-
Present Value of Obligation as at the end of the year	(0.48)	(0.80)
Net assets / (liability) in the Balance Sheet	(0.48)	(0.80)

II Movement in net liability recognized in the Balance Sheet

	For the year 2013-2014	For the year 2012-2013
Net (assets) as at the beginning of the year	0.80	-
Net expense recognized in the Statement of Profit and Loss	(0.32)	0.80
Contribution during the year	-	-
Net (assets) as at the end of the year	0.48	0.80

# NOTES

forming part of the financial statements

## NOTE 18 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS AND DISCLOSURE UNDER ACCOUNTING STANDARDS (contd.)

### III Expense Recognized in the profit and loss account (Under the head "Employees benefit expenses")

	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
Current Service Cost	1.26	0.76
Interest Cost	0.06	-
Expected Return on Plan assets	-	-
Actuarial (gains) / losses	(1.64)	0.04
Expense charged to the Statement of Profit and Loss	(0.32)	0.80

### IV Return on Plan Assets

	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
Expected return on plan assets		
Actuarial gains / (losses)	(1.64)	0.04
Actual return on plan assets	(1.64)	0.04

### V Reconciliation of defined benefits commitments

	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
Commitments at beginning of the year	0.80	-
Current Service Cost	1.26	0.76
Interest Cost	0.06	-
Actuarial (gains) / losses	(1.64)	0.04
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	0.48	0.80

### VI Reconciliation of plan assets

	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
Fair Value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains / (losses)	(1.64)	0.04
Employer contribution	-	-
Benefits paid	-	-
Fair Value of plan assets at year end	(1.64)	0.04

### VII Experience Adjustment

	₹ in Lakhs	
	For the year 2013-2014	For the year 2012-2013
On Plan liability (gains) / losses	(1.52)	0.04
On Plan assets (gains) / losses	-	-

# NOTES

forming part of the financial statements

## VIII Actuarial Assumptions

	For the year 2013-2014	For the year 2012-2013
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount Rate (per annum)	8.00%	8.00%
Expected Rate of return on Plan assets (per annum)	8.70%	8.70%
Rate of escalation in Salary(per annum)	5.00%	5.00%

₹ in Lakhs

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

### 18.6 Earning per share

Earnings per share is calculated by dividing the profit / (losses) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period as under :

	For the year 2013-2014	For the year 2012-2013
(a) (Loss)for the period attributable to equity share holders (₹ in Lacs)	(93.41)	(51.99)
(b) Weighted average number of equity shares outstanding during the year (Nos.)	50,000	50,000
(c) Earnings / (loss) per share - Basic and diluted (₹)	0.00	0.00
(d) Nominal value of shares (₹)	10	10

₹ in Lakhs

**18.7** In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid AS 22. As Company has taxable losses for the period, no provision for Income Tax has been made.

### 18.8 Segment Information

The primary segment of the Company is business segment which comprises of carrying on the business of production, serials and advertisement. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

#### Secondary Segment:

The Company caters to the needs of the domestic market and hence there are no other reportable geographical segments.

**18.9** The Company was incorporated on November 19, 2012. The comparative prior period figures are from November 19, 2012 to March 31, 2013, hence the Current year figures are not comparable with the previous period

### Signatures to notes 1 to 18

In terms of our report attached  
For **Snehal & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**Snehal Shah**  
(Proprietor)

**Jeetendra Kapoor**  
(Chairman)

**Shobha Kapoor**  
(Director)

**D.G.Rajan**  
(Director)

**Sanjay Dwivedi**  
(Chief Financial Officer)

Place : Mumbai  
Date : May 15, 2014

Place : Mumbai  
Date : May 15, 2014





## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Saturday, August 30, 2014, at 3.00 p.m., at 'The Club' 197, D. N. Nagar, Andheri (West), Mumbai - 400053, to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

#### 2. Declaration of Dividend

To declare dividend for the financial year ended on March 31, 2014.

#### 3. Re-Appointment of Director

To appoint a Director in place of Mr. Jeetendra Kapoor, who retires by rotation and being eligible, seeks re-appointment.

#### 4. Re-Appointment of Independent Director

a) To consider and if thought it, to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED** that pursuant to Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Pradeep Sarda, be and is hereby reappointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation w.e.f. April 1, 2014."

b) To consider and if thought it, to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED** that pursuant to Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. D.G.Rajan, be and is hereby reappointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation w.e.f. April 1, 2014."

c) To consider and if thought it, to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED** that pursuant to Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. Ashutosh Khanna, be and is hereby reappointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation w.e.f. April 1, 2014."

#### 5. Appointment of Auditors

To appoint M/s. Deloitte Haskins and Sells LLP and M/s. Snehal & Associates, Chartered Accountants, Mumbai, as Joint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and for that purpose to pass following resolution as an Ordinary resolution:

**"RESOLVED** that pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors of the Company, M/s. Deloitte Haskins and Sells LLP (Firm Registration No: 117366W/W-100018) and M/s. Snehal & Associates, Chartered Accountants, Mumbai (Firm Registration No: 110314W), be and are hereby appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Meeting to the conclusion of the next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors in consultation with the Joint Statutory Auditors.

**RESOLVED FURTHER** that any one of the Directors and the Company Secretary of the Company be and are hereby severally authorised to do such other acts, deeds and things as are necessary to give effect to the above resolution."

### SPECIAL BUSINESS:

#### 6. Appointment Mr. D. K. Vasal as an Independent Director

To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

## NOTICE (Contd.)

**“RESOLVED** that pursuant to Section 149, 150 and 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule IV to the Companies Act, 2013, Mr. D. K. Vasal, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. May 15, 2014 and who holds office until the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. D. K. Vasal as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years, not liable to retire by rotation w.e.f. May 15, 2014.”

### **7. Alteration of Articles of Association:**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution;

**“RESOLVED** that pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the existing Article 150 of the Articles of Association of the Company be and is hereby deleted and substituted by the following new Article 150:

150. Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 and Articles 130 to 138, at every Annual General meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office except the Nominee Directors and Independent Directors. All other Directors shall be taken into account in determining the number of Directors to retire by rotation. In these Articles a “Retiring Director” means a Director retiring by rotation.”

### **8. Ms. Ekta Kapoor liable to retire by rotation:**

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

**“RESOLVED** that in supersession of the earlier resolution passed by the Members of the Company at the Annual General Meeting held on September 5, 2012, Ms. Ekta Kapoor, Joint Managing Director of the Company shall be liable to retire by rotation.”

### **9. Increase in Authorised Share Capital of the Company and alteration of Memorandum of Association**

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

**“RESOLVED** that pursuant to the provisions of Section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby given to the Company to increase the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two Only) each to Rs. 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 8,50,00,000 (Eight Crores Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two Only) each.

**RESOLVED FURTHER** that the existing Clause V of the Memorandum of Association of the Company as to Share Capital be and is hereby deleted and in its place the following Clause V be substituted.

- V (a). The Authorised Share Capital of the Company is 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 8,50,00,000 (Eight Crores Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two Only) each with rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to divide the Shares in the capital for the time being, into several classes and to attain thereto respectively such preferential, qualified or special rights privileges or conditions as may be determined by or in accordance with the Articles of Association of the company for the time being and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or statutory modification thereof or provided by the Articles of Association of the Company for the time being.
- (b). Minimum paid-up capital of the company shall be Rs. 5,00,000/- (Rupees Five Lacs Only).”

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-  
**Simmi Singh Bisht**  
Company Secretary & Compliance Officer

Mumbai, May 15, 2014

### **Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053.

## NOTICE (Contd.)

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING OF THE COMPANY SHALL BE ENTITLED TO APPOINT ANY PERSON WHETHER A MEMBER OR NOT AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. Instruments appointing proxies, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than forty-eight hours before the commencement of the meeting.
2. Members / proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
3. Voting through electronic means:
  - (i) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited through its Website : <https://evoting.karvy.com>
  - (ii) A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
  - (iii) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on a fixed date, may cast their vote electronically.
  - (iv) The e-Voting shall remain open from August 24, 2014 (9.00 A.M.) till August 26, 2014 ( 6.00 P.M.)
  - (v) E-Voting shall be completed three days prior to the date of Annual General Meeting.
  - (vi) The Board of Directors at their meeting have appointed Mr.K.C.Nevatia, Practicing Company Secretary as the scrutinizer for e-Voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-Voting in a fair and transparent manner.
  - (vii) Vote once casted by the member cannot be changed/alterd.

The instructions for e-voting are as under:

- (i) Initial logging ID and password is provided in E-Voting Notice. EVEN (E Voting Event Number) USER ID PASSWORD/PIN.
- (ii) Karvy shall also be sending the User-Id and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/ Depository Participant(s). For members who have not registered their email address, can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://evoting.karvy.com>
- (iv) Click on Shareholder – Login
- (v) Put user-Id and Password as initial password noted in step (ii) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (viii) Select “EVEN” of Balaji Telefilms Limited.
- (ix) Now you are ready for e-Voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [kcnevatia@yahoo.com](mailto:kcnevatia@yahoo.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- (xiv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com> or contact Karvy’s Tel No. at 1800 345 4001 ( toll free).
- (xv) If you are already registered with KARVY for e-voting then you can use your existing user-Id and password for casting your vote.
- (xvi) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

## NOTICE (Contd.)

- (xvii) The e-Voting period commences on August 24, 2014 (9.00 A.M.) and ends on August 26, 2014 (6.00 P. M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of i.e. July 25, 2014, may cast their vote electronically. The e-Voting module shall also be disabled by August 26, 2014 (6.00 P. M.) for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder will not be allowed to change it subsequently.
- (xviii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, July 25, 2014.
- (xix) Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on July 25, 2014 and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- (xx) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxi) The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.balajitelefilms.com](http://www.balajitelefilms.com) and on the website of Karvy within two(2) days of passing of the resolutions at the Annual General Meeting of the Company on August 30, 2014 and communicated to the BSE and NSE Limited.
4. The Register of Members and Share Transfer Books will remain closed from August 26, 2014 to August 30, 2014 both days inclusive.
5. Pursuant to provisions of Section 124 and Section 125 and other applicable provisions, if any, of the Companies Act, 2013, all the unclaimed/unpaid dividend amount remaining unclaimed / unpaid for a period of seven years from the date of its lying in the unpaid dividend account has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Transfer Agents, for payment in respect of unclaimed / unpaid dividends declared by the Company after August 2006. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed /unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.
6. Members whose shareholding is in the electronic mode are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their respective Depository Participants.
7. Members are requested to address all correspondences, including dividend mandates, etc. to the Registrar and Share Transfer Agents – Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 034, India.
8. Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be re-appointed is given in the Annexure to the Notice.
9. Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode. In view of the Company's strong focus on the environment and eco-sustainability, Balaji Telefilms Limited proposes to send all documents / communications to its shareholders through email. We request you to kindly update your email id with your respective Depository Participant and make this effort of your Company a grand success.

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-  
**Simmi Singh Bisht**  
Company Secretary & Compliance Officer

Mumbai, May 15, 2014

**Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053.

# NOTICE (Contd.)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 1956

### Item No. 4

- a) Pradeep Sardha was first appointed on the Board on May 17, 2004 as an Additional Director. In the opinion of the Board Mr. Pradeep Sardha proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term of five consecutive years. The Company has received notice in writing from a member alongwith a deposit of Rs. 1lac proposing the candidature of Mr. Pradeep Sardha for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

The Board recommends the resolution as set out in item No.4 (a) of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Pradeep Sardha is concerned or interested in this resolution.

- b) D.G Rajan was first appointed on the Board on July 19, 2010 as an Additional Director. In the opinion of the Board Mr. D.G Rajan proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term of five consecutive years. The Company has received notice in writing from a member alongwith a deposit of Rs. 1lac proposing the candidature of Mr. D.G. Rajan for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

The Board recommends the resolution as set out in item No.4 (b) of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mr. D.G Rajan is concerned or interested in this resolution.

- c) Ashutosh Khanna was first appointed on the Board on August 27, 2010 as an Additional Director. In the opinion of the Board Mr. Ashutosh Khanna proposed to be appointed as an Independent Director fulfils the conditions specified in the Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made there under and that the proposed director is independent of the management.

As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term of five consecutive years. The Company has received notice in writing from a member alongwith a deposit of Rs. 1lac proposing the candidature of Mr. Ashutosh Khanna for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

The Board recommends the resolution as set out in item No.4 (c) of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Ashutosh Khanna is concerned or interested in this resolution.

### Item No. 6

Mr. D.K Vasal was co-opted as an Additional Director of the Company w.e.f. May 15, 2014 pursuant to Section 161 of the Companies Act, 2013. Mr. D.K Vasal holds office of director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of Rs. 1 lac proposing the candidature of Mr. D.K Vasal for the office of Director under the provisions of Section 160 of the Companies Act, 2013.

As per the provisions of Section 149 (10) of the Companies Act, 2013 an Independent Director can be appointed for a term of five consecutive years. The Board recommends the resolution as set out in item No.6 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives except Mr. D.K Vasal is concerned or interested in this resolution.



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## NOTICE (Contd.)

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### **Item No.7 & 8**

In order to comply with the provision of Section 152 of the Companies Act, 2013 relating to number of directors liable to retire by rotation and provisions of Section 149 prohibiting independent directors to retire by rotation, Article 150 of the Articles of Association of the Company is being amended by substituting it with new Article and the Category of Ms. Ekta Kapoor, Joint Managing Director is sought to be changed from a non- retiring director to a director retiring by rotation.

The Board therefore recommends the Resolutions as set out in Item No.7 and 8 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the resolution as set out in item no.7.

While in Item No.8 none of the Directors, Key Managerial Personnel or their relatives except Ms Ekta Kapoor, Mrs. Shobha Kapoor, Mr. Jeetendra Kapoor and Mr. Tusshar Kapoor being relatives of Ms. Ekta Kapoor are concerned or interested in passing of this resolution.

A copy of Articles of Association of Company is available for inspection by Members at the registered office of the Company on all working days during usual business hours.

### **ITEM NO. 9**

In order to meet the future requirement of funds for Company's business, the Board of Directors in its meeting held on May 15, 2014, has approved to increase the present Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) to Rs. 17,00,00,000/- (Rupees Seventeen Crores Only).

It is, therefore, sought to increase the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) to Rs. 17,00,00,000/- (Rupees Seventeen Crores Only). For this purpose Clause V of the Memorandum of Association are required to be altered by passing an Ordinary Resolution by Shareholders.

The Board of Directors, therefore, recommends the resolutions as set out in Item No. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel and its relatives is in any way concerned or interested in the above mentioned resolution.

A copy of the Memorandum of Association of the Company is available for inspection by the members at the Registered Office of the Company on all working days during usual business hours.

**By order of the Board of Directors  
For Balaji Telefilms Limited**

Sd/-  
**Simmi Singh Bisht**  
Company Secretary & Compliance Officer

Mumbai, May 15, 2014

### **Regd. Office:**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries, New Link Road,  
Andheri (West), Mumbai - 400 053.

# ANNEXURE

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED /RE-APPOINTED.**

**1. Jeetendra Kapoor:**

Date of Birth: 13.04.1942  
Date of First Appointment: 01.02.2000  
Qualification: Graduate

He is a popular movie star throughout the 1970s and 1980s and has starred in more than 200 films in his 45-year film career. He has won a number of awards including the Filmfare Lifetime Achievement Award, the Legends of Cinema Award and the Dadasaheb Phalke Academy Award. His extensive relationship in the Indian entertainment industry proved to be extremely beneficial for the Company in its formative years and he continues to open new frontiers for the Company.

As on date he holds 3260522 shares in the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	Audit Committee Nomination & Remuneration Committee Stakeholder Relationship Committee
Balaji Motion Pictures Limited.	Audit Committee Nomination & Remuneration Committee
Balaji Teleproducts Limited	-
Balaji Films & Telly Investments Limited	-
Bolt Media Limited	-

**2. Pradeep Sarda**

Date of Birth: 23.08.1955  
Date of First Appointment: 17.05.2004  
Qualification: Graduate

He is a first generation industrialist, is the Chairman of the Sarda Group of Industries and has vast experience in various industries such as paper, engineering, construction, academics and real estate. He is also Chairman of the Governing Board of Ecole Mondiale World School, which has set up a world class International School in Mumbai.

As on date he does not hold any shares in the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	Audit Committee Nomination & Remuneration Committee
Balaji Motion Pictures Limited.	Audit Committee Nomination & Remuneration Committee
Mercury Trade Links Limited	-

**3. Mr. D.G Rajan**

Date of Birth: 10.01.1941  
Date of First Appointment: 19.07.2010  
Qualification : FCA (England and Wales), FCA (India)

He is a Fellow of the Institute of Chartered Accountants in England and Wales and The Institute of Chartered Accountants of India. He was earlier a Senior Partner at Lovelock & Lewes, Chairman of Direct Taxation Committee of Southern India Chamber of Commerce & Industry and a Member of the Board of Governor of Doon School. He was also the President of the Management Consultants Association of India and Chairman of the Southern Region of Indian Paint Association. Presently, he is the Advisor and Management Consultant to many domestic and international groups.

## ANNEXURE (Contd.)

As on date he holds 300 equity shares in the Company constituting 0.00% of the paid up equity capital of the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	Chairman - Audit Committee
Balaji Motion Pictures Limited	Chairman - Audit Committee
Lotte India Corporation Ltd	Chairman - Audit Committee
IFGL Refractories Ltd.	Audit Committee & Remuneration Committee
BOLT Media Limited	-

#### 4. Mr. Ashutosh Khanna

Date of Birth: 23.07.1966

Date of First Appointment: 27.08.2010

Qualification : BSC, MMS

He works as a Partner with Korn/Ferry and specialises in the Consumer Industry. He has worked in the communication industry earlier and carries with him deep insights of multiple industries. He is a sought after speaker at various industry and HR forums for his views on the future of the industry.

As on date he does not hold any shares in the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	Chairman - Remuneration Committee
Balaji Motion Pictures Limited	Chairman - Remuneration Committee

#### 5. Mr. D. K. Vasal

Date of Birth: 04.01.1956

Date of First Appointment: 15.05.2014

Qualification: LLB, DLL, CAIIB

He has over 30 years of experience in both service and manufacturing industry. He was a Senior Equity Partner in one of the leading law firms of the country, Group Legal Counsel of Vedanta Plc, Sterlite Group; Head of Legal (India Region) Standard Chartered Bank, Senior Advisor of Bank of Baroda; Executive Vice President and Head Legal & Compliance of DCB Bank Ltd; Head Legal – new generation private sector bank (now HDFC Bank). He has been involved in many crucial and path breaking roles.

As on date he does not hold any shares in the Company.

<b>Directorships including the Company</b>	<b>Committee Memberships</b>
Balaji Telefilms Limited	Audit Committee Nomination & Remuneration Committee Stakeholders' Relationship Committee
Balaji Motion Pictures Limited	Audit Committee Nomination & Remuneration Committee

# Balaji Telefilms Ltd.

CIN: L99999MH1994PLC082802

Registered Office: C13, Balaji House, Dalia Industrial Estate, New Link Road, Andheri(w), Mumbai – 400053



## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*	
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Folio No.	
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Client Id*	
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No. of Shares	
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NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 20TH ANNUAL GENERAL MEETING of the Company held on Saturday, August 30, 2014 at 3:00 p.m. at 'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

\* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy



# Balaji Telefilms Ltd.

CIN: L99999MH1994PLC082802

Registered Office: C13, Balaji House, Dalia Industrial Estate, New Link Road, Andheri(w), Mumbai – 400053



## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): Registered address:		e-mail Id: Folio No/ *Client Id: *DP Id:	
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I/We, being the member(s) of \_\_\_\_\_ shares of Balaji Telefilms Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Saturday, August 30, 2014 at 3:00 p.m. at 'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against
1	Consider and adopt the Audited Balance Sheet as at March 31, 2014 and Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.		
2	Declaration of Dividend for the financial year ended March 31, 2014.		
3	Re-appointment of Mr. Jeetendra Kapoor who retires by rotation.		
4	a) Re-appointment of Mr. Pradeep Sarda, Independent Director who retires by rotation for tenure of five consecutive years. b) Re-appointment of Mr. D. G. Rajan, Independent Director who retires by rotation for tenure of five consecutive years. c) Re-appointment of Mr. Ashutosh Khanna, Independent Director who retires by rotation for tenure of five consecutive years.		
5	Appointment of Auditors and fixing their remuneration.		
6	Appointment of Mr. D.K. Vasal as an Independent Director for tenure of five consecutive years.		
7	Alteration of Articles of Association.		
8	Ms. Ekta Kapoor liable to retire by rotation.		
9	Increase in Authorised Share Capital of the Company and alteration of Memorandum of Association		

\* Applicable for investors holding shares in electronic form.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder

Affix a  
15 paise  
Revenue  
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.









COST RATIONALISATION HAS NOW ALMOST  
BECOME A BIBLE WITHIN THE BALAJI HOUSE. WE ARE  
DOING EVERYTHING AT ROCK-BOTTOM COSTS. WE  
CONTINUE TO FOCUS ON OPTIMUM UTILISATION  
OF OUR PRODUCTION SETS, RESOURCES AND  
MANPOWER. OUR INFRASTRUCTURE IS BEING  
UTILISED MUCH BETTER AND WE ARE FULLY IN  
CONTROL FOR PRODUCTION OF OUR TV SHOWS  
AND MOVIES.





*Balaji Telefilms Ltd.*

C-13, Balaji House,  
Dalia Industrial Estate, Opposite Laxmi Industrial Estate,  
New Link Road, Andheri (West)  
Mumbai - 400 053.

[www.balajitelefilms.com](http://www.balajitelefilms.com)