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Balaji Telefilms Limited

Annual Report

09-10

Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements — written and oral — that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe

we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

What will you find inside?

corporate **overview**

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Balaji Motion Pictures Limited (Subsidiary)

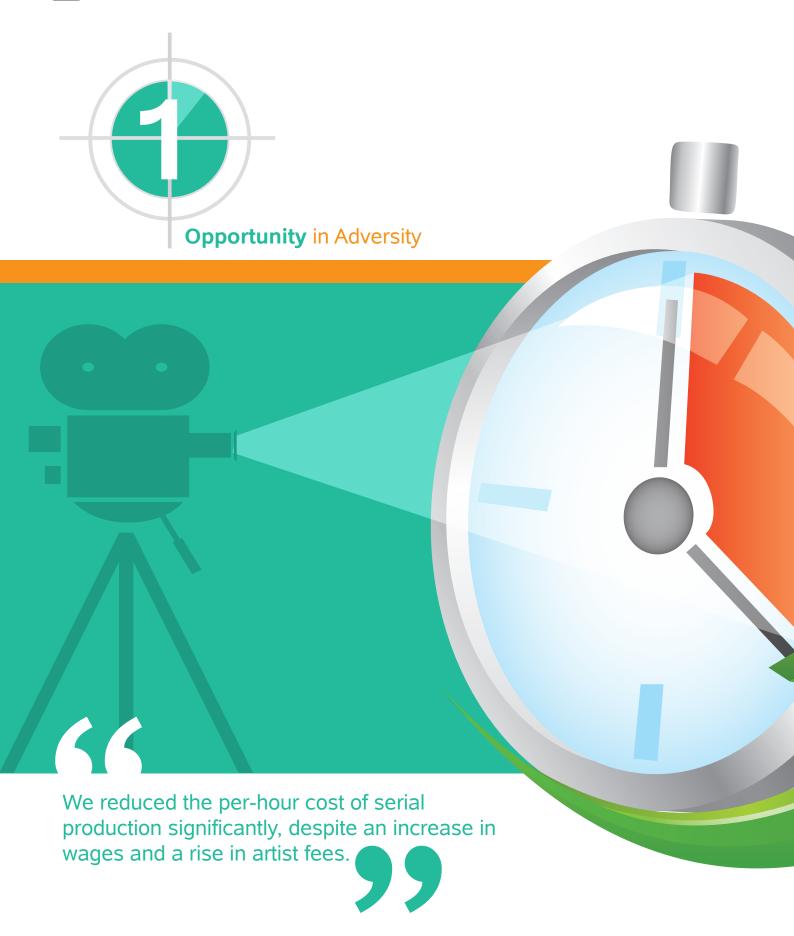
Opportunity is never part of

the headline, but always of the fine print. It is not obvious, but apparent. In an industry crippled with macro issues such as falling advertising rates, increasing audience fickleness, strikes and an all pervasive feeling of saturation, it was tough to find a reason to cheer. But then, that is the headline! The deep divers found that beneath this crushing weight of bad news there lay uncharted territories to explore and better ways to stay afloat.

In 2009-10, this is precisely what Balaji did. We held our nerve and remained faithful to our confidence. We did not go back to the drawing board - we installed a new one. In doing so, we discovered opportunities for value creation that may be fine print today, but potentially breaking news tomorrow.

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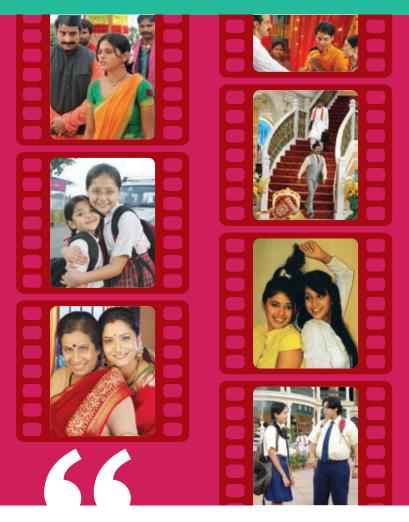








Opportunity in Adversity



260/0 Imagine

> 29% Star Plus

Our revenue model now is, therefore, far more robust and de-risked.





- 'every cloud has a silver lining.' The result was rewarding.

REALITY

We continue our relationship with Star Network, in 2009-10, we derived 29% of our total revenue from Star. The historical dependence on one channel was however, no longer tenable.

We believed in the age old adage

RESPONSE

We have adopted a multi-channel approach, aggressively marketing our content across the GEC space.

RESULT

We now have a footprint across all Hindi GEC's. Our shows are now becoming increasingly popular on all leading channels. In 2009-10, the revenue share from Imagine stood at 26%, Colors 18%, Zee TV 15% and Sony 12%. And of course, we have rebuilt our relationship with Star and our serials are back on Star Plus. Our revenue model now is, therefore, far more robust and de-risked.

























Adversity rekindled our courage to seek uncharted frontiers of innovation and excellence.

REALITY

At Balaji, we realised that a fresh perspective and approach was needed to enhance mind share and, in turn, market share.

RESPONSE

We invested in a rebranding excercise, and repositioned our brand as Balaji, as opposed to the earlier Balaji Telefilms. This allowed a greater percolation of our expertise to create content in stakeholder mindsets. We adopted a fresh new logo and committed ourselves to a new vision and mission. This excercise reflected a refreshing, deep-seated change in our thought process and our actions. We expanded our horizons by leveraging our content creation expertise to other verticals. We launched hoonur.com in October 2009 as an interactive platform for potential talent (singers, voice-over artists, directors, cameramen, dancers, photographer, among others) and the entertainment industry. Balaji also tied up with telecom companies to create mobile-specific content. With more than 500 million mobile users, India is now the second largest market for mobile entertainment after China. Mobile Value Added Service (VAS) has the potential to grow attractively in future.



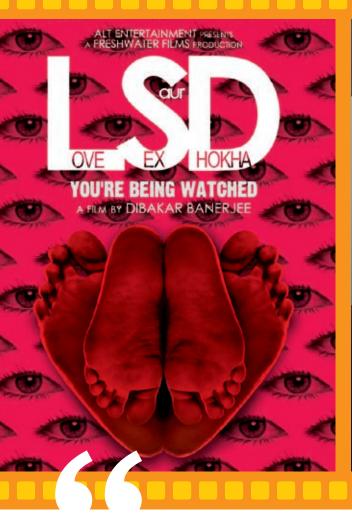
RESULT

Within five months of launch, Hoonur has become one of the leading and fastest growing sites in the online entertainment space. Balaji has also successfully deployed mobile content across all leading mobile operators in India.





Opportunity in Adversity





ALT Entertainment produced India's first digital movie *LSD* - *Love, Sex Aur Dhokha*, which received critical acclaim and commercial success in Bollywood. *Bol niti Bol*, a series of webisodes launched for the online space has gained popularity in no time.



Adversity is transient, but the vision it inspires is enduring.

REALITY

At Balaji, we reliased that the youth needs a powerful voice and a compelling vehicle of communication in the world of media and entertainment.

RESPONSE



We created ALT Entertainment, our new youth brand to cater to a differentiated, young and tech-savvy audience. ALT Entertainment is a media-neutral platform which will operate across the motion pictures, television and lifestyle domains. It is expected to appeal to the needs and global sensibilities of youth, both in India and Internationally.





RESULT

ALT Entertainment produced India's first digital movie LSD - Love, Sex Aur Dhokha, which received critical acclaim and commercial success in Bollywood. Bol niti Bol, a series of webisodes launched for the online space has gained popularity in no time. Balaji is also venturing into the Marathi regional space with serials like Maajhiyaa Priyaalaa Preet Kalenaa.

New Brands Managing Director's Message Joint Managing Director's Interview **Business Divisions**



THE LEGACY THAT DRIVES A BRAND

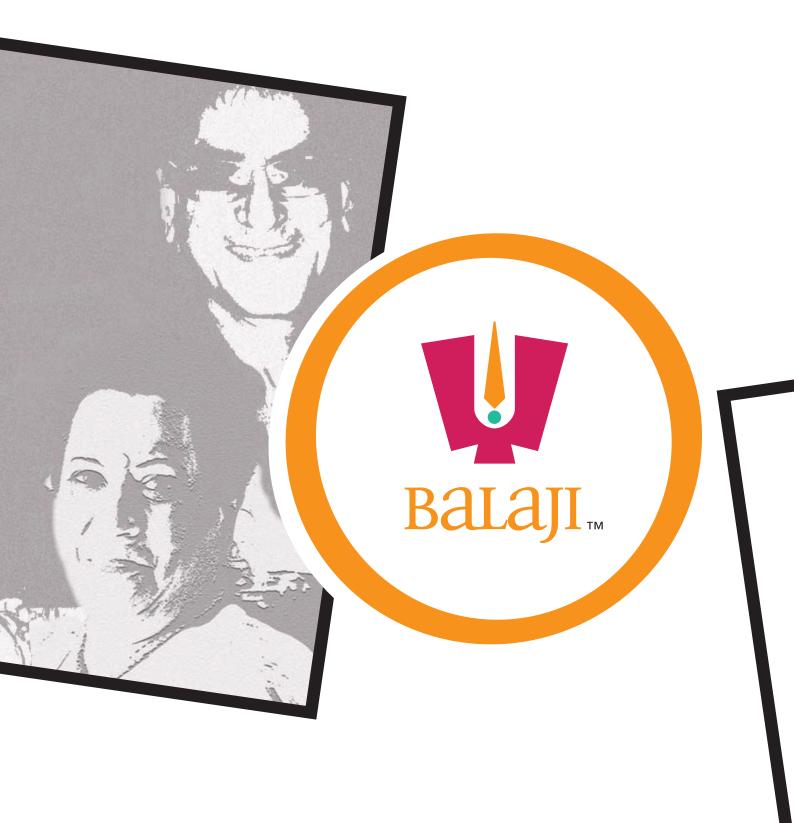


Promoted by Jeetendra Kapoor, Shobha Kapoor and Ekta Kapoor in 1994, Balaji Telefilms Limited (Balaji) is India's leading media and entertainment company. Headquartered in Mumbai, Balaji is one of the largest production houses both, in terms of television content the largest production houses. From a leading television content created and studio facilities. From a leading television to a media conglomerate with a provider, Balaji has today evolved into a media conglomerate and mobile.

Balaji has remained contemporary with the times and widened its corporate vision, bringing in an experienced professional team to drive its strategic objectives. Recently, the Company underwent a rebranding excercise, unveiling a refreshed visual identity and brand character.

Balaji's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

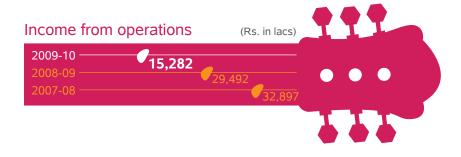


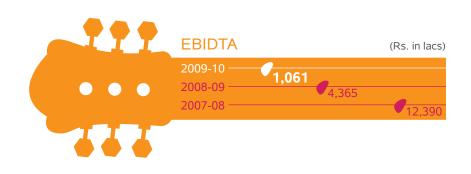


Managing Director's Message Joint Managing Director's Interview Business Divisions Television Motion Pictures



FINANCIAL HIGHLIGHTS



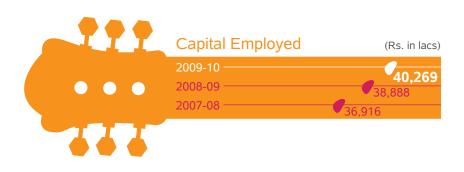


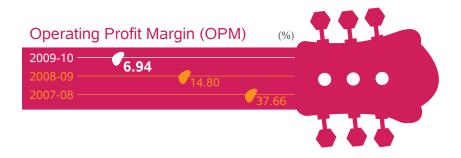


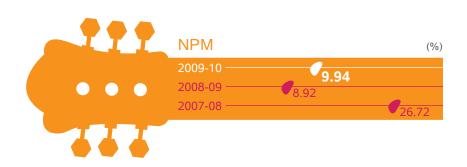
















CHAIRMAN'S LETTER

Mr. Jeetendra Kapoor, Chairman

shares his views on why he is optimistic about the entertainment industry and outlines Balaji's strategic roadmap.

Dear Friends,

In a rapidly changing world, media and entertainment represent the true face of modernity and social evolution. More so, in India - a young democracy, with billion-plus aspirations and a red-hot economy accelerating at tremendous speed. Today we are powerful, confident and ready to take on the world. Therefore, India is at the cusp of a tremendous growth opportunity. The media and entertainment industry is not just a participant, but one of the propellers of this growth engine.

Myriad faces of entertainment

This optimism and acceleration did not take place overnight. It entailed wideranging economic reforms, superior technology involvement and the desire of the Indian population to keep abreast with a dynamic world.

The media and entertainment industry provides both, a parallel and a manifestation of this phenomenon. Mass information dissemination and entertainment today has been redefined by the television and the advent of internet and mobile telephony. In fact, a reliable report suggests that television content, especially in the fiction category, has empowered rural women to take control of their own lives, to educate themselves and to raise their voice against domestic violence and social atrocities. Our constant companion, the unassuming mobile too, is revolutionising our life like never before. It is now a fullblown entertainment and communication device, a far cry from its original form. Consider this: it took 15 years for India to reach 400 million mobile users. The next 400 million, however, will come in the next three years. According to estimates by the Cellular Operators Association of India, the mobile subscriber base is expected to zoom to 893 million by 2012. That is 150 million more subscribers than what was projected earlier. Besides, India's internet community grew by a spectacular 42% in 2009 from a year ago, spurred on by affordable broadband plans and devices.

All this does not mean that the good-old cinema has been just a silent spectator. With the advent of multiplexes, advanced sound systems and digital technologies, the art of filmmaking has also radically changed. Now new-generation films are becoming experimental in terms of content creation, form and technology intervention.

Rebranding

At Balaji, we don't interpret these realities as facts to be read and forgotten. These are social trends that herald new opportunities. But are we prepared to leverage the opportunities? The answer is an emphatic yes.

To leverage these opportunities, Balaji has undergone an image transformation. Our aggressive rebranding initiatives (new vision, new mission and new logo) reflect our fresh perspective towards existing and



We realised that our diversifying content streams, as well as the overwhelming popularity of the term Balaji, warranted a strategic shift to popularising 'Balaji' as our brand.

new businesses and the core brand values that sustained the organisation for all these years. We realised that our diversifying content streams, as well as the overwhelming popularity of the term Balaji, warranted a strategic shift to popularising 'Balaji' as our brand. Our new corporate colours – pink and orange – reflect our governing values of storytelling, passion, integrity, compassion and excellence. The vibrant colours demonstrate the eagerness to embrace new opportunities, while retaining the core traditions and values. The *Namam* logo, inspired by the vermilion mark on Lord Balaji's forehead, stimulates the vision and the bold and aggressive colours characterise our attitude. This corporate identity was recreated following extensive mind-mapping of external and internal stakeholders of Balaji Telefilms Limited.

Balaji Telefilms' new brand identity denotes an enhancement of perspective and a broad-basing of our ambition to talk to a larger cross-section of audiences. The new identity will build a seamless bridge across businesses and aspirations.

We have demonstrated our capability to emerge as a leader in the fiction content creation space, thanks to our expertise and execution capabilities. Now is the time to extend those capabilities to other domains of content creation. We are focusing on the web and mobile entertainment as a part of our new media business, and we have created a new brand (ALT Entertainment) to create content for the young and tech-savvy generation. Besides, I would also reiterate our commitment to create institutions of excellence to prepare a vast pool of industry-ready professionals. Our intentions are clear: we now want to get closer to the young and live-wire generation, feel their pulse and create differentiated content, suited to their specific needs across motion pictures, mobile telephony, web and lifestyle domains.

Like all journeys, ours too has not been a bed of roses all the way. There were external and internal hardships that we encountered. However, our dogged resolve and sound strategy saw us sail past each adversity. Over the years, we have patiently and painstakingly created an organisation that upholds differentiated ideation and speed of execution as the overarching objectives for future growth. To further leverage on this unique strength, we have initiated a thorough organisational restructuring to infuse dynamism and professionalism in the way we operate and respond to market realities. Reining in spiralling costs without compromising the content quality has been a constant challenge. We have achieved considerable success on that count through enhanced cost vigilance and judicious resource utilisation.

Our intentions are clear: we now want to get closer to the young and live-wire generation, feel their pulse and create differentiated content, suited to their specific needs across motion pictures, mobile telephony, web and lifestyle domains.

In conclusion

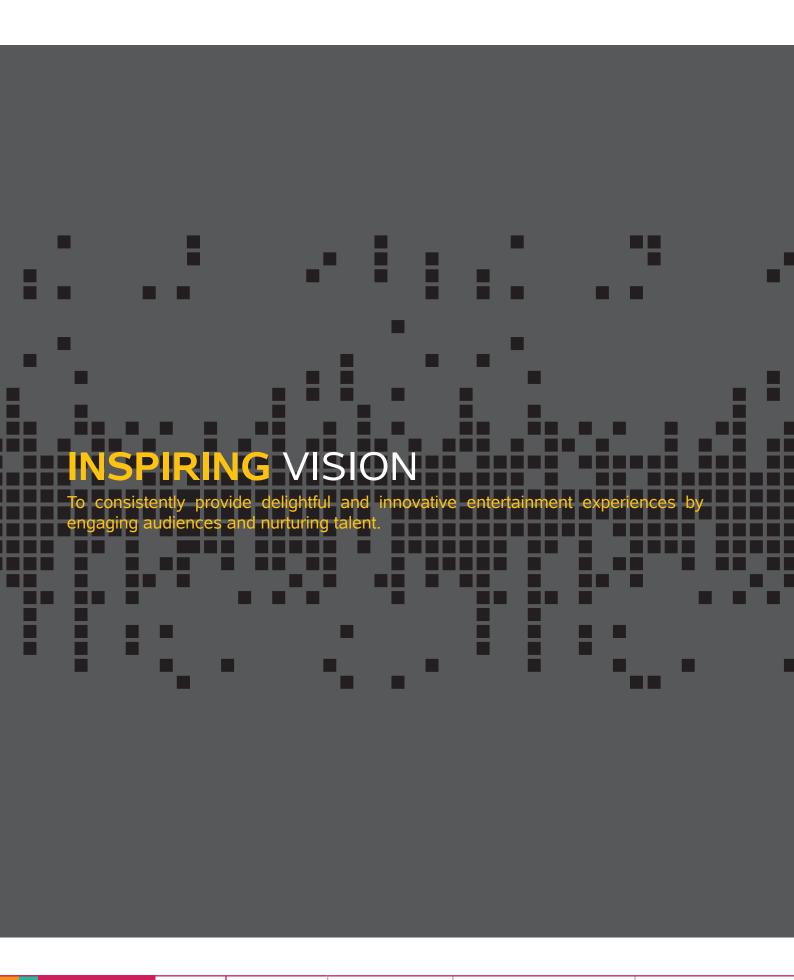
We had created this business to carve a niche in the world of content creation. I strongly believe that a lot more needs to be done to bridge the gap between what we are and what we can be. But we have the potential, the resources and the mindset to turn our aspirations into reality.

I take this opportunity to thank our investors, business partners, audience and our own people for had it not been for their unstinted support, Balaji would never be what it is today. I expect we would continue to receive your wholehearted support in our exciting journey ahead.

With regards,

Jeetendra Kapoor







ENDURING 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 anything but the best.



Business Divisions Television Motion Pictures New Media Board of Directors Key Management Personnel



POWERFULNEW BRANDS





ALT Entertainment



- To create a brand aligned with the Company's primary business plan and ambition
- To contemporise Balaji's brand, we are targeting a brand specific to the youth
- To expand the repertoire and diversify into contemporary, modern and edgy content

Balaji created the ALT Entertainment brand that extends beyond motion pictures into television, movie, mobile and internet space. The primary focus will be on the digital and lifestyle domain. This will create a differentiated viewer fraternity, especially the young and tech-savvy generation. The ALT brand will expand the frontiers of the conventional Indian film and television industry, adding a new dimension to the Balaji brand and values. It reconciles best-in-class ability and empowering vision to offer unique, bold and differentiated content for the newage national and international audience.









HOONUR

THE VISION

- To create a brand identity specifically for the new media business
- To create an online entertainment media

Balaji created the brand 'Hoonur' to mark its presence in the online and mobile space both for the entertainment portal and for user generated content. The Company launched www.hoonur.com, an online portal, to showcase and hire talent for the entertainment and media community.



Television Motion Pictures New Media Board of Directors Key Management Personnel



MANAGING DIRECTOR'S MESSAGE



Shobha Kapoor, Managing Director

We want to be positioned as a prominent national brand with multivertical footprint in the world of entertainment. Such a positioning will enhance our brand respect, recall and returns. Besides, Balaji's resource strength and enhanced liquidity will drive expansions and fuel growth.

Geared for the future

These are interesting times, when we find opportunities lurking behind a veil of transient adversity. One just needs to have the proper focus, boldness, resource strength and innovative capabilities to surge ahead. It is no longer enough to address opportunities that come our way. Instead, grabbing them before they become common knowledge albeit with an appropriate understanding, is the key to sustainable growth. At Balaji, this will remain our overarching strategy.

Culture of discipline

In 2009-10, we accelerated our efforts to make our organization leaner, fitter and more responsive to ground realities. This was important to ensure that our response to the market realities is matured and well-deliberated, not ad hoc and staccato. Over the preceding 10 years, we witnessed exponential growth and we have gradually evolved into a disciplined business enterprise in terms of resource utilisation for optimal benefits. For example, we repurposed our existing sets from previous shows and used them in our recent shoots for new serials. This is possible, only with the foresight to preserve, and the creativity to mould it to present requirements. Besides, we tried to reduce operational inefficiencies at every step, however minor in cost: electricity consumption, space utilisation, timely completion



We are proud to have utilised 2009-10 as a year of revisiting our strategy and actioning our learnings from the market. We have evolved our focus and put in place systems and processes, to be implemented by a go-getter team.

of shooting schedules among others. We also implemented a progressive performance evaluation system that promoted a culture of meritocracy and encouraged human efficiency. The result of our efforts has been rewarding. We have been successful in bringing down the cost per episode every week consistently to a level which once seemed unachievable. There is an organisation-wide awareness and appreciation of the challenges that we need to counter. This sensitisation is by far the most important achievement of the year.

Evolving with the market

In addition to building internal efficiencies, we have also focused our energies on derisking our operations through a presence on multiple channels, across genres, languages and time-slots. Thus we are no longer dependent on a single channel or a handful of blockbuster shows. With perhour realisations widely believed to have bottomed out, such a diversified basket of shows will surely help in fostering a more secure and sustained revenue visibility. And, given our quality and creative leadership, we strive to keep our shows among the leading ones on each channel.

Extending our reach

We will now be looking to have a foot print across all timebands – afternoon, evening, prime time and late night slots. We are extending our presence to the regional entertainment space and intend to begin our foray with Marathi – which we see as a major market for us going forward, in addition to our existing presence in the South.

Our experience, storytelling ability and stress on production values are strengths that will continue to serve us well across all markets

Telling newer stories, on newer media

However, we are not putting all our eggs in one big basket of television. We are making rapid strides in the films segment – and are looking to create differentiated film content that will appeal to audiences. The success of *Love, Sex and Dhokha* is a case in point. It proved how, a film made unconventionally (the digital route), on a tight budget and an accelerated turnaround could fare well at the Box-office. Our subsequent offerings too, will be perceptibly different and therefore, have curiosity value for audiences. Our new media business will further enable us to emerge as a holistic entertainment provider, and bring us closer to all audience segments, including the youth. Hoonur.com and ALT Entertainment – our new brands - therefore are key strategic initiatives for us to leverage our content expertise across media such as mobile and the internet.

Best foot forward

We are proud to have utilised 2009-10 as a year of revisiting our strategy and actioning our learnings from the market. We have evolved our focus and put in place systems and processes, to be implemented by a go-getter team. We hope to see the results of these actions over both, the immediate future and the long-term. I am confident that we are moving closer to our desired positioning of a prominent national brand with multi-vertical footprint. We remain committed to enhancing our brand respect, recall and resultant stakeholder returns.

With regards, **Shobha Kapoor**

Motion Pictures New Media Board of Directors Key Management Personnel



JOINT MANAGING DIRECTOR'S INTERVIEW



The idea is simple: we have always believed in the enduring appeal of a easy-to-understand but engaging story that the audience can relate to or empathize with. We have always targeted the mass market. We have often seen how people still remember a particular character's name or his or her idiosyncrasies long after the serial has ended.

Ekta Kapoor, Joint Managing Director

What do you think is the differentiator edge of Balaji in the entertainment industry?

For more than a decade we have been setting trends in the art of creating engaging content for the television industry. We are responsible for setting benchmarks that others are now emulating. We have recently ushered in the concept of a show based on the urban, middle-class family through our show *Pavitra Rishta*. This at a time, when the rest of the industry focused on the urban-rural divide. We chose to focus on the Indian middle-class as a social segment, which thinks, behaves and emotes in a particular way. So, while set opulence is one of our early innovations, subtly nuanced topics, and our ability to carry them inside drawing rooms, is our biggest strength.

The idea is simple: we have always believed in the enduring appeal of a easy-to-understand but engaging story that the audience can relate to or empathize with. We have always targeted the mass market. We have often seen how people still remember a particular character's name or his or her idiosyncrasies long after the serial has ended. We try to project before them a 'slice-of-life' that is so close to them and in doing so we earn a slice of their heart. Our ability to entertain the audience through creative expertise is the most powerful rationale for us to be in business. Interestingly, even the title track of some of our shows became so popular that people were keen to release an audio track, and have them as their ring tones or caller tunes. Our ability to create content has led us to become one of the leading television content providers even in South Indian languages, a testimony to the relevance of our creativity.

What about films and new media?

We firmly believe in the power of a compelling script because a bad one can never make a good or successful film. At Balaji, we decide on a film project based on the strength of a script. We will continue to do so and grow our film portfolio.

In new media we are looking at making mobisodes or webisodes, which are in line with the growing importance



The story is in texture, softness, understanding and pitching. There are millions and millions of little layers that give it an exact colour. Then comes the detailing in characters, relationships and situations which make the serial different and memorable.

of the mobile phone and internet as entertainment delivery mediums. To enrich our creative repository, we don't conduct any branded research. Instead, we glean it from the people we meet everyday. For me it's an instinct that I have cultivated as well as inherited.

What are the challenges?

The creative challenge is to be different: difference in thought and difference in execution. Let me explain.

When you look at any show as an overview you will see only the skeleton. That's not the story. The story is in texture, softness, understanding and pitching. There are millions and millions of little layers that give it an exact colour. Then comes the detailing in characters, relationships and situations which make the serial different and memorable. The big message is ceaseless innovation: bring a new twist to the story, usher in new characters or perhaps bring an unknown aspect of a known character before the audience. And one has to handle all this convincingly, without disturbing the story's overall tapestry.

Now the execution part. Around 95% of cost-optimisation is intelligent planning. We don't optimise our costs by removing couple of episodes or scenes of episodes. It is about planning it, phasing things out, give production people a chance, so that they can actually optimize the output in a day. Here is an example: suppose a scene in one episode is to be shot in a drawing room and another episode also has a similar scene, then we shoot the two scenes together. The idea is to think ahead in terms of production schedules to accelerate projects.

Any new developments you would like to share?

The overall slowdown hit us hard and we witnessed a reduction in our market share. With the launch of Pavitra Rishta on 1st June 2009, we set the trend with a story line based on the urban middle-class Maharashtrian family. It became one of

the most successful Hindi TV shows, regularly achieving a No. 1 TAM rating and also one of the few shows retain its popularity despite the popularity of overwhelming sporting entertainment which weaned away audiences.

With Bandini and Bairi Piya we adopted a completely rural set, but very much different from other shows. These two are also among the most popular shows with Bandini being the top show on Imagine. We have received a very positive response in the South with the launch of four new shows during the year. We also held an award function for Sun Network, which was very successful.

Talking about films, *LSD* stands out in terms of creativity and innovation. On the other hand, we have deployed a separate creative team to make 'made for mobile' content. Very few people know that we are the only company to create such content, especially for handheld devices. Others who offer such services are mere aggregators, not creators.

So what is the road ahead for Balaji?

We have retained the top position on Zee TV and Imagine. Our romantic love story *Tere Liye* will begin airing on STAR Plus soon. We expect it to be very popular. Besides, we have a couple of new serials lined up for telecast and few are in the storyboarding stage. At the same time we are also evaluating the options to create content for youth channels and kids' channels. On the movies front, two of our films are set to be released during the current year. In addition, we are going through a few scripts and meeting script writers to shortlist some movie projects with strong story lines.

Simply put, there is a lot of action at Balaji.

Watch this space!





BUSINESS DIVISIONS



Television

Balaji remains India's most preferred content provider for the television industry. It is India's only production house to have produced over 100 shows till date, across five languages (Hindi, Tamil, Telugu, Kannada and Malayalam) over the last 15 years. The Company ushered in the cable and satellite boom in India. The performance of the Hindi television channels and the dominance of the Hindi General Entertainment Channel (GEC) were catalyzed by Balaji's differentiated content. The result: the shows grabbed eyeballs with skyrocketing TRPs. The Company developed new primetime hours for family viewing, enhancing the television viewing hours of the Indian audience. 'Kyunki, Saas Bhi Kabhi Bahu Thi' is the only Hindi show in the history of Indian television to have crossed more than 1,500 episodes. Besides, Balaji possesses 23 modern sets and 37 editing suites in India, an unrivalled achievement in India.



Motion Pictures

Balaji entered the motion picture business in 2002 to mark its presence in the Indian film industry and to produce films by leveraging its experience and expertise in entertainment content. The Company operates the Motion Pictures division through its wholly-owned subsidiary - Balaji Motion Pictures Limited. Till 2009, the Company had produced and/or acquired 12 films, which include super hits like Bhool Bhulaiya and Sarkar Raj. Recently, the Company co-produced and distributed India's premiere digital film Love, Sex aur Dhokha, which was released in March 2010 under the ALT Entertainment banner. LSD received critical and commercial acclaim from audiences across the globe. Going forward, the Company intends to operate under a motion picture studio model that will function seamlessly across the value chain:

Upstream |

Ideas / Concepts / Creative / Development / Production

Downstream

Marketing / Alliances / Distribution / Revenue Management



















Business Divisions

















New Media

Balaji forayed into New Media business in 2009 to create a digital entertainment business, in line with changing audience preferences. The division focuses on two verticals - mobile entertainment and web entertainment. The mobile entertainment vertical is engaged in creating unique content for the mobile space by leveraging on the Company's creative and production facilities. Balaji has pioneered mobilespecific content creation in India. The New Media creative team works closely with mobile operators to create differentiated content in audio and video content in the genres of devotion, humour and original fiction, which helps in serving a unique offering to subscribers. The content is currently available across all major telecom operators in India. Balaji has also extended its reach worldwide by creating iphone applications for the Indian diaspora across the world. On the web entertainment front, Balaji launched an entertainment portal www.hoonur.com, which gives independent professionals and businesses from the entertainment, television, media and advertising a chance to promote and share their services. Hoonur.com was launched as an Online Talent Portal and will evolve into a complete online entertainment destination.











































TELEVISION OPERATIONAL REVIEW



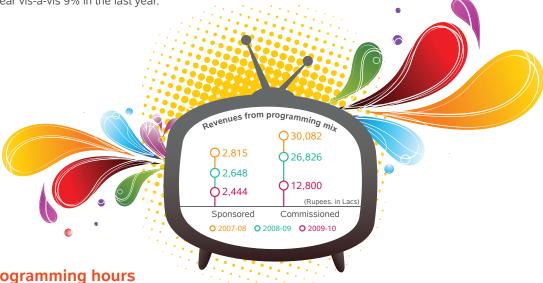
Programming hours and revenue mix

Commissioned programmes

These are the shows in which content is created by the Company at the behest of channel owners. Balaji creates the episodes for the channel and charges a fixed fee with a leeway for rate revision, depending on the success and popularity of the show. Hence, for the commissioned programming, the Company does not carry the risk of marketing or getting sponsors for the shows. During FY 2009-10, the Company created 764 hours of content and generated Rs. 12,800 lacs as revenue from the commissioned programmes, compared with 929 hours of content and Rs. 26,826 lacs of revenue in FY 2008-09. The commissioned shows contributed 83% of total revenue for the current year vis-à-vis 91% in the last year.

Sponsored programmes

These are the shows, where the Company creates content and recovers the cost from advertisers and not the channel on which the shows are aired. Balaji buys telecast slots and in exchange receives free commercial time from the channel that is then marketed to advertisers. Hence, for the sponsored programming, the Company undertakes the risk of marketing or getting advertisers for the shows. During FY 2009-10, the Company created 638 hours of content and generated Rs. 2,444 lacs as revenue from the sponsored programmes against 568 hours of content and Rs. 2,648 lacs of revenue in FY 2008-09. The sponsored shows contributed 17% of total revenue for the current year vis-à-vis 9% in the last year.



Channel-wise programming hours

		(in hours)
Channel	2009-10	2008-09
Commissioned		
Star Plus	220	568
ZEE TV	115	93
Colors	140	6
Sony TV	89	57
Imagine	200	44
INX	_	156
Others	_	6
Total	764	930
Sponsored		
Sun Network	638	568
Grand Total	1402	1498

Television Motion Pictures

New Media

Board of Directors

Key Management Personnel



KEY DEVELOPMENTS



Evolving dynamics

2009-10 witnessed the entry of new players in broadcasting as well as the content creation space. The result is that competition increased with more than six Hindi GEC channels telecasting similar soaps, reality shows, dance competitions and so on. Besides, content overload led to multiple viewer fragmentation and impacted TRPs. A TRP of 16 and above for any show is nearly impossible in today's environment. Simultaneously, the viewer's preferences and tastes also changed rapidly and they have become more demanding.

Volatile realizations

The economic slowdown impacted the overall media and entertainment industry. The broadcasters saw their revenue shrinking with growing clout of advertisers. Balaji's per-hour realizations from commissioned programmes reduced from Rs. 29 lacs in 2008-09 to Rs. 16.7 lacs in 2009-10. During the year, the realisation had dropped down to as low as Rs. 15 lacs. Even the realisation per hour from sponsored programming declined from Rs. 4.7 lacs to Rs. 3.9 lacs. The silver lining: realizations have now bottomed out, witnessing an upward trend.

Eight new shows launched, 10 shows went off-air

In the wake of the slowdown, the television industry witnessed dramatic upheavals. The shows which performed poorly were compelled to go off-air. The overall churning ratio of the shows across the channels increased significantly. For the first time in the history of Balaji, 10 shows were taken off air in a single financial year. Concurrently, the Company also introduced 8 new shows during the year. On the positive size Balaji shows now occupy the No. 1 position on Zee TV and

Imagine. In fact, 'Pavitra Rishta' - one of Balaji's Hindi shows on Zee TV regularly achieved the No. 1 TAM Ratings across the Hindi speaking belt and was one of the few television shows that restrained the IPL wave. As on March 31, 2010 a total of 9 shows (4 commissioned shows and 5 sponsored shows) were on air across 8 channels.

Production cost per hour declined significantly

One of the biggest achievements for Balaji in FY 2009-10 was successfully reducing the production cost, without compromising quality and the creative edge. The Company significantly reduced its production cost per hour in the last quarter of March 2010, as against the corresponding period of last year. Besides, Balaji reduced its administrative cost, general overhead cost and other expenditure. The Company adopted several stringent measures, which comprise the following:

Strict implementation of MIS reporting and Cost Control

The Company aggressively introduced pan-organizational MIS reporting to optimise production cost. It started taking corrective measures based on the analysis of the reports. Benchmarks were set and then monitored for every element of production cost. Beginning with monthly reporting, the system rapidly advanced to daily reporting of cost sheet (show wise). This enhanced the unit's efficiency and arrested production cost. Balaji would institutionalize stringent cost management from the first episode of all upcoming serials.



Key Developments (contd.)







Execution discipline

Shift efficiency in the 4th quarter has improved considerably. However, during the year, the Company improved the efficiency of the unit and brought down the number of shifts per episode.

Other cost-reduction measures

Conscious efforts have been made to reduce the absolute level of overhead costs across the board. General administration costs have reduced on an year to year basis. In order to rationalize hiring costs, conscious decisions have been taken to purchase equipment, where it makes more economic sense as compared to hiring the equipment. Further, detailed tracking systems have been implemented to monitor and control costs e.g. Electricity costs across the organization. For a more efficient management of its stock of consumables and props, the company has introduced a bar code supported asset management software system.

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Balaji for the first time implemented the Performance Management System for all its employees.

Strengthened people management

At Balaji, human resource management remains critical as the business is both labour intensive and involves intellectual capital. Besides, human resource also forms a major cost constituent. Hence, Balaji for the first time implemented the Performance Management System for all its employees. With this, the Company has institutionalized performance-based evaluation, which has ensured a system of incentivizing and retaining its most effective team members.

Continued compliance of statutory requirements

The Company has set up a strong legal team to ensure that we continue to meet the requirements, as we scale up businesses and reduce dependence on external legal advice. The Company is committed to the compliance of all relevant and applicable laws, both in letter and spirit.











Details of shows on air during FY 2009-10

Serial	Channel	Time slot	Days of telecast	Went on air on	Went off air on
Commissioned Shows					
Kis Desh Mein Hai Meraa Dil	Star Plus	20.30 pm – 21.00 pm	5 Days	March 03, 2008	February 5, 2010
Tujh Sang Preet Lagayi Sajna	Star Plus	22.00 pm – 22.30 pm	4 Days	November 3, 2008	February 5, 2010
Bayttaab Dil Ki Tamanna Hai	Sony	22.00 pm – 22.30 pm	4 Days	October 6, 2009	February 24, 2010
Pyaar Ka Bandhan	Sony	22.00 pm – 22.30 pm	4 Days	October 7, 2009	April 19, 2010
Kitani Mohabbat Hai	Imagine	22.30 pm – 23.00 pm	4 Days	January 19, 2009	September 25, 2009
Koi Aane Ko Hai	Colors	22.00 pm – 22.30 pm	2 Days	March 13, 2009	October 3, 2009
Pavitra Rishta	Zee TV	21.00 pm – 21.30 pm	5 Days	June 1, 2009	(On Air)
Bandini	Imagine	22.00 pm – 22.30 pm	4 Days	January 19, 2009	(On Air)
Bairi Piya	Colors	20.30 pm – 21.00 pm	4 Days	September 21, 2009	(On Air)
Sponsored Shows					
Kankkana	Udaya TV	13.30 pm – 14.00 pm	5 Days	December 1, 2008	April 3, 2009
Koottukaari	Surya TV	21.00 pm – 21.30 pm	5 Days	November 24, 2008	April 13, 2009
Bramha Mudi	Gemini TV	19.30pm – 20.00 pm	5 Days	June 29, 2009	November 27, 2009
Kalyanee	Gemini TV	22.30pm – 23.00 pm	5 Days	July 4, 2005	June 26, 2009
Kadambari	Udaya TV	18.00pm – 18.30 pm	5 Days	December 13, 2004	November 6, 2009
Kanmaneeya	Sun TV	11.30am – 12.00 pm	5 Days	December 8, 2008	April 16, 2010
Kadhaparayum Kaaviyaanjali	Surya TV	18.30pm – 19.00 pm	5 Days	July 20, 2009	(On Air)
Kasthuree	Sun TV	18.30pm – 19.00 pm	5 Days	August 21, 2006	(On Air)
Kalyanee	Udaya TV	18.00pm – 18.30 pm	5 Days	November 9, 2009	(On Air)
Kotha Bangaram	Gemini TV	19.00pm – 19.30 pm	5 Days	March 18, 2010	(On Air)



MOTION PICTURES KEY DEVELOPMENTS



Rejuvenated team

During 2009-10, Balaji adopted a new strategy to attain an optimally equipped organizational structure. The Company recruited a mix of talent from within the film industry and also from other domains to ensure a healthy cross-industry intellectual capital mix. It enhanced the number of professionals in the distribution, marketing and film project development teams.

Strengthened relationships

With the successful creation of new ALT Entertainment brand and backed by the new professional team, Balaji made an out-reach effort to present new corporate identity to the whole film industry, including directors, actors, agencies, alliances and other partners. The Company made representations at AFM, Film Bazaar, MAMI, Cannes Film Festival, among others. It started development initiatives at grass root level with the first-time directors, actors and script writers.

Introduced robust risk management

The Company evolved a resilient risk-management mechanism to mitigate risks. Every project at Balaji is now analyzed and evaluated on various parameters at the story board level itself, before starting project execution. The risk-reward ratio is thoroughly calculated and accordingly the project is green-lit.





Movies, released

■ LSD - Love, Sex Aur Dhokha

LSD is Balaji's maiden release in 2009-10, under the banner of ALT Entertainment. It was completed as per schedule and within the budget. The film was marketed through a number of innovative ways and was rated as one of the most critically acclaimed films in the recent past. Besides, it also enjoyed commercial success in Bollywood. The film was released on March 19, 2010 across 487 screens nationwide. It enjoyed a 4-week run across most metro markets with an above average occupancy in the first two weeks.

Directed by the National Award winning director Dibakar Banerjee of *Khosla Ka Ghosla and Oye Lucky Lucky Oye* fame, the film was able to create a buzz in the film industry, being India's premiere digital film. The film was shot using cameras that were smaller than a lipstick, from inside a purse and also used infra-red lights that are mostly used by soldiers in the night during war. Although *LSD* was commercially successful, the motion pictures business vertical reported a loss of Rs. 889 lacs for 2009-10. This was because, in accordance with the prevalent accounting standards, entire selling and distribution expenses for the film was provided in 2009-10, although part benefit of the same would accrue in 2010-11, as the film was released late in the year in the 3rd week of March 2010.







Movies, Upcoming

■ Once Upon A Time In Mumbaai - When It All Started

This is Balaji's home production with Ajay Devgn and Emraan Hashmi in the main lead. This film deals with the underworld and evokes empathy and involvement at a deeper level.

■ SHOR - (Tentatively Titled)

Shor has a strong urban appeal, which is directed by Krishna DK and Raj Nidimoru, the directors of the very successful "99". The cast includes Sendhil Ramamurthy, the star of the hit NBC show 'Heroes' and Tusshar Kapoor.

Special Chabbis

Directed by national award-winning director, Neeraj Pandey (for his debut film 'A Wednesday'), this film is currently under production and is based on a true story of one of the most cunning conmen of the days gone by.





NEW MEDIAKEY DEVELOPMENTS



Mobile entertainment

During the year Balaji created more than 70 hours of *made for mobile* audio and video content in the non-fiction and fiction space. The prominent areas of content creation comprised devotional, humour and youth-oriented fiction categories, among others. The contents which have been very well accepted and have become quite popular in a short span of time are *'Pyaar Ki Baatein'*, *'Bhagwaan Ki Kathayein'*, *'Ramayan Stories'*, 'Serial Title Tracks', *'Bhakti Sangeet'* Telugu and Tamil Humour Jokes to name a few. The Company expects create a 3-5 minutes mobisodes for the mobile screen and is also preparing content for the upcoming 3G-and-broadband networks. It is already providing content to BSNL 3G network. Balaji creates the contents and ties up with telecom companies who eventually offer them to their subscribers. Some of the contents offered are pay-per-view, while others follow subscription model. The content is currently available through mobile operators like BSNL, Airtel, Reliance, Tata, Vodafone, Idea and Aircel, among others. The Company has also tied up with Spice, Onmobile Global, IMI Mobile and other mobile platform partners to deliver content. Balaji boasts of creating a first-of-its kind Iphone application with professionally recorded stories and aartis in Hindi by professional voice artists and popular Bollywood playback singers. These applications are available for the International Audience on Apple Applications Store.







In October 2009, the Company launched www.hoonur.com to bridge the gap between talent owners and talent hunters. Since the entertainment industry today is fairly unorganised in terms of how the talents are searched and hired, it's a small attempt from Balaji to simplify the process. Through the portal

- Users can showcase their talent, portfolio, audio, video and images and so on for free
- Users can improve their chances of selection by highlighting their experience and skills
- Users can proactively browse for casting and audition calls and apply online
- Production houses and casting directors can post casting requirements and audition calls
- Agencies can promote entertainment, television, production related business services

Within five months of the launch of the portal it became fairly popular

- 50,000-plus portfolios are live with a wide array of talent, ranging from acting, modelling, dancing, singing to choreography, screenplay dialogue writing, photography, fashion designing, editing and technicians and many
- 300,000 photos, videos and audios tracks are posted by prospective artists to showcase their talent.
- 900 businesses listed (acting and training institutes, fashion photographers, fashion designers, hair and make-

Going forward, the Company is planning to add online video sharing platform and a news and content sharing platform in the next phase of development.





BOARD OF DIRECTORS



1. Jeetendra Kapoor (Chairman)

Starring in over 200 films in a 45-year film career, Mr. Kapoor was one of the most popular matinee idols of Bollywood in 1970s and 1980s. He won a number of awards, including the Filmfare Lifetime Achievement Award, the Legends of Cinema Award and the Dadasaheb Phalke Academy Award. Mr. Kapoor has been the Company's Chairman since 2000. Mr. Kapoor's extensive relationships in the Indian entertainment industry open new business frontiers for Balaji.

2. Shobha Kapoor (Managing Director)

Mrs. Kapoor played a pivotal role in building the company from humble beginnings in 1994 to India's largest television content company today. Since inception, she was responsible for the Company's operational management, monitoring on-set activity and operational efficiency. Leveraging her wealth of experience, she works closely with the Group CEO in helping him discharge his responsibilities. Her contribution has created Balaji's organization and the brand has resulted in a slew of awards, including CEO of the Year (Indian Telly Awards), Businesswoman of the Year (The Economic Times), and numerous Best Producer awards for television shows produced by Balaji.



3. Ekta Kapoor (Joint Managing Director)

Ms. Kapoor has almost single-handedly revamped India's television landscape. She pioneered an entire genre of television content, creating among the most successful shows and heralding the satellite television boom in the country. Balaji's pioneering shows had enhanced channel revenues, and even today, enjoy a pride of place among the top 2-3 shows on each channel.

As the creative force behind Balaji's success, Ms. Kapoor believes in a hands-on approach to the day-to-day creative direction of each of Balaji's TV shows and films, routinely putting in 16-18 hours every day. She is Balaji's principal innovator, whose creative abilities encompass television, motion pictures and new media verticals.

Ms. Kapoor's pioneering work at a very young age has earned 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. Driven by her creative zeal, Balaji has also won every major television award in India.

4. Akshay Chudasama (Director)

Widely respected for his deep insight into corporate law, Mr. Chudasama is a partner at J Sagar Associates. He specializes in mergers and acquisitions, consumer protection and dispute resolution.

5. Dhruv Kaji (Director)

A Chartered Accountant by profession and a highly respectable person with decades of experience, Mr. Kaji is a financial advisor and strategic consultant. He was associated with Raymond Ltd as the Finance Director, and Pinesworth Holding Ltd.

6. Pradeep Sarda (Director)

Chairman of the Sarda Group of Companies, Mr. Sarda possesses rich experience across multiple industry verticals, including paper, engineering, construction and real estate. He has been a member of the Board since 2004.

7. D. G. Rajan (Director)

Mr. Rajan is a Fellow of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants in England and Wales. He was a Partner of Lovelock & Lewes, Chartered Accountants from 1967 and retired therefrom as a Senior Partner in 1990. He was also President of the Management Consultants Association of India and Chairman of the Southern Region of the Indian Paint Association. Presently, he is advisor and management consultant to many domestic and international groups.



KEY MANAGEMENT

PERSONNEL



Left to Right: Vikram Malhotra, Anurag Gupta, Uday Sodhi, Puneet Kinra, Ashish Gharde, Srinivasa Shenoy and Rohit Kishore Chopra

Vikram Malhotra (Chief Operating Officer- Motion Pictures)

Vikram heads the Motion Pictures business at Balaji Telefilms. Before joining Balaji, he was the Head of Worldwide Marketing at Kingfisher Airlines, where he led a team that is credited with creating India's largest airline brand in a little over four years. He also headed the digital business in his previous organization.

Vikram has also helped in building successful brands and businesses at the erstwhile Lever-Johnson, retail internet at Tata Communications and beverages with The UB Group.

Vikram has a Bachelor's degree in Commerce from the University of Rajasthan and an MBA from KJ Somaiya Institute of Management Studies & Research, Mumbai.

Anurag Gupta (Chief Executive Officer- Education)

Anurag brings to the Balaji brand over 17 years of rich experience in managing profit centres across a wide range of industries. He is an Engineer from the JMI University, Delhi and holds a MBA from IMT, Ghaziabad. Before joining Balaji, Anurag was the CEO of Frankfinn Institute of Airhostess Training. His expertise lies in developing and handling large channel networks with a proven ability to create and sustain market leadership in intensely competitive environments. He joined Balaji as Chief Executive Officer in February 2010.



Uday Sodhi (Chief Executive Officer- New Media)

Uday spearheads initiatives such as Hoonur.com and mobile & internet content. Before Balaji, he was the Sr. Vice President - Interactive Services at Rediff.com, one of India's largest online portals, where he led strategic planning and product development of the eCommerce, Mobile VAS, RediffMail Subscription and Vertical Search services. He also held senior management positions at Net4India (India's Leading Web Hosting and Internet Infrastructure Company) and Bausch and Lomb.

He also holds a Master's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai.

Puneet Kinra (Group Chief Executive Officer)

Responsible for all businesses of Balaji – Television, Motion Pictures and New Media. He holds an MBA from The Australian Graduate School of Management (AGSM), University of New South Wales. Until 2008, when he joined Balaji, he was with PricewaterhouseCoopers where he was responsible for setting up the Corporate Finance and Investment Banking practice in South India. At Balaji, he looks to define and execute the Group's growth strategy. He has hired reputed professionals, restructured existing businesses and entered new businesses in the Media and Entertainment vertical. Alt Entertainment and Hoonur represent two significant initiatives of Balaji that Puneet has spearheaded in the last two years.

With over 15 years of experience in finance, deal advisory, target search/evaluation, structuring and cross-border transactions, Puneet has advised many corporate and private equity players on transactions in Media, Telecom, Real Estate and Infrastructure, Energy, Healthcare, Hospitality, Retail, Pharma, Communications, Technology, FMCG and manufacturing sectors.

Ashish Gharde (Chief People Officer)

Ashish heads Human Resources for the group and has been deeply involved in the corporatisation of group practices, including an HR manual and annual Performance Management System.

A professional with past media experience, Ashish has headed HR at Radio City. He also has 8 years experience with the Tatas, where he spearheaded various HR initiatives across the steel, telecom and VSNL.He holds a MBA from Symbiosis.

Srinivasa Shenoy (Chief Financial Officer)

Over the past year, Srinivasa has substantially overhauled the firm's financial controls, MIS processes, audit systems, computerization and risk management templates in line with global standards. He has also substantially streamlined the compliance processes at all levels.

Previously, he was the Business Head with Entertainment Network India Limited, which hosts the popular FM station 'Radio Mirchi' and headed the Delhi branch. A rank holding Chartered Accountant, Srinivasa also holds holds an MBA from the Indian School of Business, Hyderabad and has an extensive work experience which include renowned brands like McDonald's and PwC.

Rohit Kishore Chopra (Chief Legal Officer)

Rohit heads the Group's legal function. At Balaji, he has built up a strong team of legal professionals, introduced best practices from global peers and significantly strengthened legal and compliance processes.

Prior to joining Balaji, Rohit was the general counsel at Reliance ADAG as the Vice President- Legal, Compliance and Business Affairs, and as the legal head at ESPN India. He possesses a rich 13-year experience and holds an LLB from the Punjab University.



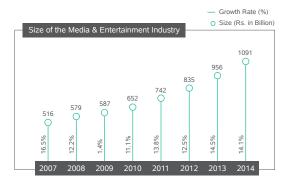
MANAGEMENT DISCUSSION AND ANALYSIS





MEDIA AND ENTERTAINMENT INDUSTRY

2009 was a difficult year for the media and entertainment industry, as the overall economy passed through a slowdown. Advertising, which constitutes 38% of the industry's revenue, declined significantly on account of shrinking ad budgets in the corporate world. Sectors like films, radio and out-of-home media (OOH) recorded negative growth during the year. However, the television industry witnessed decent growth, along with the internet, gaming and animation industries touching double digit growth, albeit on a smaller base. Hence, the industry as a whole grew marginally by 1.4% to Rs. 58,700 crores, against a 12% growth in 2008. With improvement in liquidity and global economies, showing a sign of recovery, India's GDP is expected to touch 9% annually by 2011-12, according to the Economic Advisory Council. The media and entertainment industry is, therefore, estimated to register 13% CAGR for the next five years, till 2014.



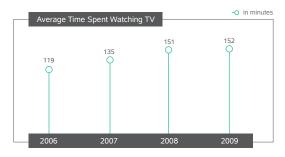
(Source : FICCI-KPMG Indian Media & Entertainment Industry Report 2010)

Traditionally, India's total media spend has been significantly lower compared to other countries globally. In fact, at 0.40%, the media spend, as a percentage of GDP, is almost half of the world's average of 0.80%, and is much lower compared to developed countries like the US and Japan. Even a country like China with the world's largest population, enjoys a media spend ratio at 0.75%, in line with the world average. This indicates the potential

India holds for growth in spends, going forward. Even though it is challenging to reach the levels of countries like the US, Japan and UK, due to a very large population base and lower spending power per capita, there is an ample scope to follow China and enhance this ratio.

TELEVISION INDUSTRY

Television is the largest segment of the Indian M&E industry, representing over 40% share of the total market. Today, 50 crore Indians depend on television as a source of mass entertainment, and this figure is rising, thanks to consistent fall in prices of TV sets and aggressive cable and satellite distribution in untapped areas. Of the total 12.9 crore TV households, 9.5 crore households possess a cable connection. As per reliable research, on an average, an individual daily spends two and a half hours watching TV.



(Source: FICCI-KPMG Indian Media & Entertainment Industry Report 2010)
Despite the economic challenges of 2009, the television industry grew modestly (6.6%) becoming a Rs. 25,700-crore market. With growing demand for different genres and niches (news, kids, infotainment and lifestyle) the absolute number of channels increased from 120 in 2003 to over 460 in 2009. There has been a greater acceptability for niche channels in 2009, such as lifestyle-based channels (IMAGINE Good Times, Discovery Travel & Living), youth-based channels (UTV Bindaas, MTV) and channels focusing on male audiences (UTV Action). Moreover, 'Regionalization' has become the industry's new buzzword with rapid rise in literacy, consumption and







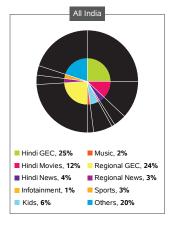


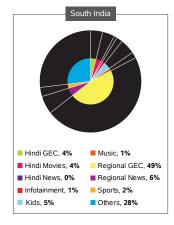


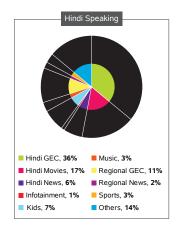
disposable incomes in Tier 2 and Tier 3 cities. Advertisers have also enhanced their rural focus, following urban market fascination. Besides, demand for regional content is also growing. No wonder, broadcasters and content creators are equally keen to capitalise on this opportunity. Interestingly, the Hindi General Entertainment Channel (GEC) genre attracted 25% viewership, followed by Regional GEC (24%) and Hindi movies genre (12%). The balance 39% viewership was divided among news, music, sports and kids. However, more precisely in the Hindi speaking belt the Hindi GEC genre enjoyed 36% viewership and in South India the Regional GEC genre enjoyed 49% viewership. In terms of content, 2009 witnessed the share of reality TV rising on popular GEC channels. Shows like 'Sach ka Samna', 'Khatron ke Khiladi', 'Rakhi ka Swayamvar' and 'Pati Patni aur Woh' targeted both the female and the male audiences.

Besides, the singing and dancing competition format shows strengthening popularity. However, the fiction genre continued to dominate as daily soaps ruled the GECs. But socially relevant and regionalized / rural content were increasingly favoured. There is a growing amount of industry fragmentation due to the introduction of newer genres and expansion of the channel universe. The viewers are exposed to attractive options and hence have become more demanding. Gone are the days, when the highest rated shows could get TRPs (Television Rating points) as high as 20 points. On the back of rapid change in audience preferences, the lifespan of a show reduced to one to two years. Moreover, due to intense competition and pressure from advertisers, broadcasters have also become impatient in continuing to air a low-rated show.

VIEWERSHIP SHARE BY GENRES







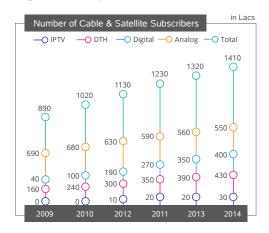
(Source : FICCI-KPMG Indian Media & Entertainment Industry Report 2010)



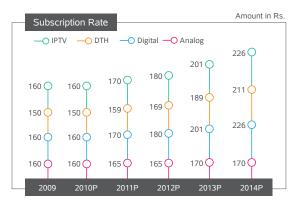
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The growth in subscription revenue will be mainly due to digitization, which brings about more transparency in the declaration process apart from rising penetration. The (Direct-To-Home) DTH television connections are expected to reach 4.3 crore connections by 2014.

Going forward, considering the fast recovery in Indian economy, the television industry is estimated to grow at a CAGR of 15% to attain a size of Rs. 52,100 crores by 2014. The two contributors, subscription and advertisement are expected to grow more or less at 15% and maintain a 65:35 mix. The growth in subscription revenue will be mainly due to digitization, which brings about more transparency in the declaration process apart from rising penetration. The (Direct-To-Home) DTH television connections are expected to increase at a CAGR of 22% to 4.3 crore connections by 2014. On the other hand, the digital cable connection is projected to rise to 4 crores by 2014 recording a CAGR of 60%. Hence, the share of analogue cable connection, which stands at a whopping 80% is anticipated to decline to 40% by 2014. Besides, Internet Protocol television (IPTV) holds a huge potential, but may take time to grow due to very low internet penetration in India.



(Source : FICCI-KPMG Indian Media & Entertainment Industry Report 2010)



(Source : FICCI-KPMG Indian Media & Entertainment Industry Report 2010)

Hence, differentiation is key to survival in the competitive television industry, good concepts, differentiated genres, interactive game shows, experimentation with newer formats and shows, exploring new talent, will help to manage and compete with the growing number of shows, channels and genres on Indian Television.

MOTION PICTURES

India is the only country which averages a release of three films everyday in some or the other language. To watch these movies nearly 300 crore movie tickets are sold in India, nearly double of that of USA. Moreover, films form one of the most important content sources to the Music, Radio and Television industries.

Historically, the Indian film industry represents 18% of the total media and entertainment industry. However, 2009 was one of the worst years for the film industry, facing unprecedented losses on account of the stand-off between the Multiplex Owners and Film Producers. The cold war between the exhibitors and producers, which lasted for two months stalled several movie releases in











multiplexes. With more than 1000 screens, multiplexes constitute 60% of total revenue from Hindi film exhibition. So although, they reached an amicable solution eventually the damage was already done. For the first time the overall film industry shrunk by 14.4% from Rs. 10,400 crores in 2008 to Rs. 8,900 crores in 2009. It also was hit because of the general recession and low acceptance of below par content, churned by production houses as compared to previous years. As per industry reports, the year 2009 had only four blockbusters out of 242 Hindi films, released during the year. The industry gets three fourth of the revenue from domestic theatrical exhibition and the balance through home videos, cable and satellite rights, overseas exhibition and other avenues like release on DTH. On the piracy front, following in the footsteps of the Tamil Nadu government, the Maharashtra and Karnataka governments also amended an Act to curb film and music piracy. As per experts, films industry is losing close to a whopping Rs. 4000 crores (Business Standard - 2nd Oct 2009) because of piracy, which is 40% of the current industry size.

Barring 2009, the film industry is estimated to grow at CAGR of 9% for the coming five years to become an almost Rs. 14,000-crore industry. All the three industry verticals i.e. production, distribution and exhibition, have their own dynamics, but the exhibition part is expected to be the main growth driver. Rising popularity and development of multiplexes, even in small cities and towns will not only improve the volume, due to better viewing experience, but will also lead to higher average realization per ticket. Growing disposable incomes, favourable demographic changes, increase in the number of films targeted at niche audiences and entertainment tax benefits granted by various states are contributing to the growth of multiplexes. As per the current rate, by

2013 India is likely to have over 1,600 screens, double of what we have currently. In addition, miniplex operators have their own plans to develop 500 miniplexes in next few years.

On the distribution side, digitization has significantly benefited the industry. The distributors can release large number of prints across geographies simultaneously and in much shorter time. Simultaneously, it also saves the significant cost of developing the traditional physical prints. In fact, the whole film industry is moving towards the triple 'D' structure, which means digital production, digital post production and digital release.

Globally, 2009 was a remarkable year because it saw the release of James Cameron's Avatar in 2D and 3D format, which became the first film ever to gross over USD 2 billion worldwide. This highlights the potential of films as an entertainment source. Hence, continued interest by global studios in India, investments in technology such as 3D and digitization, introduction of miniplexes, coupled with strong government support against piracy is likely to help the Indian film industry strengthen its position in the years to come.

NEW MEDIA BUSINESS

Traditionally, the media and entertainment space was ruled by only two screens - big screen (cinema) and small screen (television). However, in the last few years computer screens and mobile screens have rapidly grown as a destination of entertainment, referred to as 'new media'. Consumers are now looking upon the personal computer (PC) and cell phone as an alternative source to entertainment. There have been ground-breaking innovations, such as Broadband, Bluetooth,



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With 3G services to be rolled out by next year, the VAS industry is expected to increase its share manifold, with some industry estimates pegging the figure at Rs. 200 billion by 2015.

Wi-Fi, Wi-Max and 3G (Third Generation), among others that support disparate forms of content. Similar developments were witnessed in the domain of devices that are designed to support such networks. Mobile handsets are getting more sophisticated, sleeker and more advanced in terms of powerful processors, increased memory space, larger screens, open operating systems and offering features that were unimaginable earlier. Hence, the new media is revolutionizing the consumer market, reconciling the functionalities of customer end terminal devices like TV, PCs and mobile phones. Such devices are witnessing exponential demand growth among teenagers and professionals with high disposable income. Mobile Value Added Service (VAS) has become a significant business driver for service providers, with potential to grow attractively in future.

The VAS market, currently valued at Rs. 65 billion (USD 1.35 billion), constitutes about 9-10% of the total revenues for telecom operators in India with short messaging service (SMS) alone accounting for 44% of that share. With 3G services to be rolled out by next year, the VAS industry is expected to increase its share manifold, with some industry estimates pegging the figure at Rs. 200 billion by 2015 (Source: Gartner).

India's telecom industry grew at 60% CAGR (Source: COAI and Gartner) in the last five years, one of the highest compared to the world's other telecom markets. Interestingly, India is the world's second largest telecom market after China with a 60 crore-plus mobile subscriber base (wireless subscriber base increased from 584.32 million in March 2010 to 601.22 million at the end of April-2010, registering 2.89% growth). Wireless tele-density stands at 50.98 (Source: www.telecomindiaonline.com).



(Source: Internet & Mobile Association of India)

During April 2010, India's telecom industry witnessed a landmark government decision, as it finally declared auction of 3G spectrum and invited open bids from telecom companies across India. 3G is the latest technology, which provides various advantages such as high data transfer rates, map and positioning services, multiplayer gaming and enables high-resolution video and multimedia services with streaming audio and video capabilities opening up business opportunities in the space of Mobile TV and Mobile Video.

On the other hand, India's internet use witnessed steady growth. PC users in urban areas have increased from 5.9 crore in 2006 to around 10 crore (Source: www.internetworldstats.com). Today every telecommunication provider is providing internet service packaged with other services at affordable rates. With sprawling cyber cafes and easy availability of broadband connection, internet is now in reach of common individuals. Concurrently, internet usage on the move is also gaining fast user acceptance by the high-speed









data cards, public Wi-Fi hot spots and internet access on mobile phone.

As per Internet and Mobile Association of India, almost 75% of urban PC users claim to be accessing internet for information and entertainment. In fact, internet as a medium for socializing and leisure activities like downloading music and videos are gaining incredible popularity, compared with other services. Even the advertisers are making higher allocation towards internet advertising, leveraging this growing trend. All these factors augur well for content providers like Balaji.

SCOT ANALYSIS

Strength

- High Production Capabilities
- Huge infrastructure
- Talent Hunting / Artist Management
- Pioneers in creating special Content for Mobile
- Solid Financial Position
- Strong Presence across Hindi, Tamil, Telegu, Malayalam & Kannada. Only production house to have the shows on air in 9 different channels
- A good mix of sponsored & commissioned shows
- Integrated film maker Production, Marketing & Distribution of films
- Stringent Risk Management practices.

Challenges

- High Cost of Production against industry average
- Concentrated Clients

- Dependence on few key people for concept & creativity
- Genre specific presence mainly in fiction

Opportunities

- Create content for other regional languages / international market
- Enter non fiction, reality segments
- Monetization of content through other delivery platforms
- Expand presence in digital space

Threats

- Rising Competition
- Piracv
- Gaining popularity of other entertainment options like sports, gaming, internet, malls, travelling etc
- Change in Government Policies
- Rising Labour Cost & Energy Cost





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Internet as a medium for socializing and leisure activities like downloading music and videos are gaining incredible popularity, compared with other services.

RISK MANAGEMENT

Risk type	Risk implication	Risk mitigation
Market risks		
Economic slowdown risk	Corporates may reduce their advertising budget for television, jeopardizing per-hour realizations.	Balaji has implemented strict cost control initiatives per episode. The Company evaluates and analyzes the risk-reward scenario before commencing film production or any other major project.
Competition risk	Rising competition may reduce bargaining power with channels.	Balaji is the undisputed leader in the Hindi GEC space and enjoys strong brand recognition with shows commanding a good premium.
Risk of unfavourable government policies	Any unprecedented change in government policy may increase the overall cost.	Balaji is suitably positioned to absorb, recover or pass on the rise in taxes to channels, distributors or exhibitors.
Business risks		
Single-channel dependence risk	Dependence on a single channel may be detrimental to business	Balaji now enjoys a strong presence across five Hindi GEC, with not over 30% revenue from any one channel.
Risk of changing audience preferences	Rapid change in viewer tastes and preferences can impact business adversely.	Balaji's dedicated team conducts research to understand evolving audience preferences. One result of such an effort is the new media business.
Human resource risk		
Talent retention and management risk	The business depends on key talent (story writers, creative heads, lead artists, directors, technicians, among others). Non-availability of such resources could impact business.	Balaji has always attracted the best of talent in the industry. It has created stars and transformed artists' careers.











OPERATIONAL OVERVIEW

An analysis of the Company's operations is included on page 26-31 of this annual report.

Internal Control Systems and Adequacy

Balaii has a well-defined organisational structure and a strong Internal Audit process for maximum utilisation of its resources and safeguarding the same from misuse. The Company has a strong internal audit program, exercised through a Docket Management System. An independent commercial team further controls the hiring and requisitions of materials, which allows enhanced focus on operational efficiencies. The Company's Audit Committee, along with the Board regularly review the operations and adequacies of internal controls on an ongoing basis.

FINANCIAL REVIEW

Results of operation

Turnover

The total turnover for 2009-10 declined by 48% to Rs. 15,282.41 Lacs from Rs. 29,491.89 Lacs in 2008-09 on account of a sharp decline in realization per hour, coupled with a considerable drop in programming hours of content for the commissioned show. Revenue contribution from commissioned shows was Rs. 12,800 Lacs from Rs. 26,844 Lacs in 2008-09, while that of sponsored programming was Rs. 2,444 Lacs from Rs. 2,648 Lacs in the same period. The share of commissioned shows in the revenues during 2009-10 was 84% while that of sponsored shows was 16%.

Other income

The other income for 2009-10 increased by 26% to Rs. 2,197.76 Lacs from Rs. 1,738.34 Lacs in 2008-09 on account of write back of excess provision of doubtful debts which were written off earlier.

Cost of production of television serials

There was a 41% decrease in cost of production of television serials to Rs. 10,606.67 Lacs for 2009-10 from Rs. 18,066.38 Lacs for 2008-09 because only 763 hours of content for commissioned show was created during the year from 929 hours in 2008-09. Moreover, the Company has also been able to successfully bring down the average cost of production per hour by adopting stringent cost control measures.

Employee costs

Although the company has brought down its manpower in absolute terms but the total employee cost for 2009-10 went up by 24% to Rs. 1,637.90 Lacs from Rs. 1,320.41 Lacs in 2008-09 as the Company hired experienced talent at the senior management level.

Selling, General and Administrative expenses

On the back of lower provisioning for doubtful debts and no provisions for diminution in value of long term investments, the total Administrative and other expense declined in 2009-10 by 49% to Rs. 3,096.30 Lacs from Rs. 6,128.49 Lacs in 2008-09.

Depreciation

The depreciation for 2009-10 stood at Rs. 1,033.43 Lacs from Rs. 2,352.26 Lacs in 2008-09. Last year one of the sets was depreciated at an accelerated rate (Impact Rs. 953 Lacs), being exclusively carried out for a serial which went off air.







Revenue contribution from commissioned shows was Rs. 12,800 Lacs from Rs. 26,844 Lacs in 2008-09, while that of sponsored programming was Rs. 2,444 Lacs from Rs. 2,648 Lacs in the same period.

Profit before tax

The profit before tax recorded a decline of 41% to Rs. 2,225.27 Lacs in 2009-10 from Rs. 3,751.38 Lacs in 2008-09 as the total revenue fell sharply by 48%. However, due to rise in other income the impact was mitigated to some extent.

Profit after tax

The profit after tax for 2009-10 decreased by 42% to Rs. 1,519.09 Lacs from Rs.2,632.12 Lacs in 2008-09.

FINANCIAL POSITION

Share Capital

As no capital was raised during 2009-10 the paid up share capital remained same at Rs. 1,304.21 Lacs.

Reserves & Surplus

The reserves and surplus increased by a modest 3% to Rs 38,873.91 in 2009-10 from Rs.37,583.71 Lacs in 2008-09.

Fixed Asset

The Gross Block in 2009-10 increased significantly by 52% to Rs. 14,880.85 Lacs from Rs. 9,813.60 Lacs in 2008-09, on account of addition of land bought within the limits of Mira Bhayander Municipal Corporation for the purpose of building its studio.

The net block increased by 101% to Rs. 8,131.11 Lacs in 2009-10 from Rs. 4,045.16 Lacs in 2008-09. This increase is on account of increase of Gross Fixed Assets.

The capital work in progress stood at Rs.289.93 Lacs for 2009-10 from Rs. 5,138.99 Lacs.

Investments

The investments of the Company decreased by 15% in 2009-10 to Rs. 20,978.66 Lacs from Rs 24,567.32 in 2008-09 on account of funding to the subsidiary company in line with the business plans. The investments include Rs. 3,000 Lacs invested in the wholly owned subsidiary, Balaji Motion Pictures Limited.

Working Capital

During 2009-10, the Company granted loan to the subsidiary company because of which the Loans & Advances for 2009-10 increased to Rs. 7,489.01 Lacs from Rs. 2,301.00 Lacs in 2008-09. On the other hand, the Company repaid its creditors which led to 38% decline in Current Liabilities to Rs. 2,199.90 Lacs in 2009-10 from Rs 3,548.85 Lacs in 2008-09. Hence, the working capital of the Company for 2009-10 recorded a rise of 131% to Rs. 10,869.58 Lacs from Rs. 4,707.00 Lacs in 2008-09.

FUTURE STRATEGIES

Corporate Level

- Grow beyond being a television content provider
- Further strengthen the professional identity
- De-risk and Diversify Revenue Model (channels, regional programming, other business divisions)
- Establish ALT and Hoonur as recognized brands
- Expand management bandwidth







Television

- Maintain and consolidate the leadership in fiction space
- Launch new shows with different and new story lines at regular intervals
- Capture viewership beyond the prime time bands in major GECs, in non-prime hours, weekends and other channels
- Foray into creation of other Regional content like Marathi and Bangla
- Constantly analyze and evaluate the change in viewer preferences.
- Improve the type of show mix (horror, comedy, fiction, reality)
- Continue strict control on cost of production

Films

- Rapidly scale-up film business
- Create strategic template to produce and market larger number of films every year to enable strong pipeline and capability-building
- Align with best-in-class writing and directing talent to generate superior scripts and film content
- Span entire spectrum of film offerings from mass commercial to urban niche to address large and growing audience segments
- Consolidate marketing capability to build competitive advantage in the industry

- Kick-start development initiative at grass root level first-time directors / actors / script writers
- Ramp up capabilities on distribution domestic and international
- Emerge as a leading integrated production house with downstream integration into distribution and marketing of films.

New Media

- Strengthen the Hoonur brand
- Develop hoonur.com as a full entertainment portal
- Monetization of Hoonur.com through subscriptions
- Consolidate and increase tie-ups with telecom companies for mobile contents
- Create 'mobisodes' for reputed brands.

Education

- Establish and stabilize this new venture
- Create a strong brand in education field as well
- Differentiate by delivering globally bench marked content in an innovative method.
- Gradually scale this business across India
- Regularly broadbase its product offering









Dear members.

Your Directors take pleasure in presenting the Sixteenth Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

		(Rupees in Lacs)
Particulars	2009-10	2008-09
Income from operations	15,282.41	29,491.89
Total expenditure	15,340.87	25,515.28
Operating profit /(loss)	(58.46)	3,976.61
Interest	0.00	0.00
Depreciation	1,033.43	2,352.26
Operating profit /(loss)after interest and depreciation	(1,091.89)	1,624.35
Other income	3,317.16	2,127.03
Profit before tax	2,225.27	3,751.38
Provision for taxation	706.18	1,119.26
Net profit after tax	1,519.09	2,632.12
Balance brought forward from previous year	18,290.55	16,154.01
Appropriations		
Disposable profits	19,809.64	18,786.13
Proposed dividend	195.63	195.63
Corporate dividend tax	33.26	33.26
Transfer to general reserve	153.22	266.69
Balance carried to Balance Sheet	19,427.53	18,290.55

RESULTS OF OPERATIONS

For the year ended March 31, 2010, the Company earned total revenue of Rs. 18,599.57 Lacs, a decrease of 41.18% over the previous year's Rs. 31,618.92 Lacs. As per the consolidated accounts, the total revenues have decreased by 46.02% from Rs. 35,641.37 Lacs to Rs. 19,238.03 Lacs in the year under review. The net profit of the Company for the year decreased from Rs. 2,632.12 Lacs to Rs. 1519.09 Lacs in the year under review, a decrease of 42.55%.

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 Rs. 0.30 per share (15 per cent on a par value of Rs. 2 per share) for the approval of the members. The final dividend, if declared as above, would involve an outflow of Rs. 195.63 Lacs towards the dividend (previous year Rs. 195.63 Lacs) and Rs. 33.26 Lacs towards dividend tax (previous year Rs. 33.26 Lacs), resulting in a total outflow of Rs. 228.89 Lacs, same as in the previous year. Dividend (including dividend tax) as percentage of profit after tax is 14.94%, as compared to 8.58% in the previous year.







Transfer To Reserves

We propose to transfer Rs. 153.22 Lacs to the general reserve out of the amount available for appropriations. An amount of Rs. 19,427.53 Lacs is proposed to be retained in the profit and loss account.

Subsidiary

During the year the Company had one wholly owned subsidiary: Balaji Motion Pictures Limited (BMPL).

BMPL was established in March 2007 to handle the film related business of the Company. BMPL successfully released one movie during the year. It has completed production of three films which are tentatively scheduled for release in the financial year 2010-11. Further, the Company is at various stages of discussion with various parties for additional movie ventures during the year. BMPL achieved turnover of Rs. 638.58 Lacs compared to Rs. 4,256.06 Lacs of last year. In the current financial year BMPL has reported loss of Rs. 889.90 Lacs compared to loss of Rs. 2,331.06 Lacs for last year.

Directors

Mr. D. G. Rajan was appointed as Additional (Non-Executive and Independent) Director of the Company with effect from July 19, 2010. As per the provisions of section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notice under section 257 of the Companies Act, 1956, together with requisite deposit proposing appointment of Mr. D. G. Rajan as Director of the Company. Mr. Jeetendra Kapoor and Mr. Dhruv Kaji retire by rotation at the ensuing Annual General Meeting. Mr. Jeetendra Kapoor and Mr. Dhruv Kaji being eligible, offer themselves for re-appointment.

The brief resume/details relating to the Directors who are to be appointed/re-appointed are furnished alongwith the notice convening the Annual General Meeting.

MANAGEMENT

Mr. Nachiket Pantvaidya, Chief Executive Officer - Television resigned effective October 31, 2009 and Mr. Anurag Gupta was appointed as Chief Executive Officer - Education effective February 25, 2010. Mr. Srinivasa Shenoy was appointed as Chief Financial Officer of the Company in place of Mr. Sunil Shahani, who resigned effective September 22, 2009.

AUDITORS

M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai and M/s. Snehal & Associates, Chartered Accountants, Mumbai, the Joint Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have also confirmed their eligibility and willingness for re-appointment if made the Joint Auditors of the Company and confirmed that, if appointed as auditors for the year 2010-11, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

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 2009-10.



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:

			٠			•		
Sr.	Full Name	Current Designation &	Gross	Qualification	Date of Joining Experience Age	Experience /	Age	Previous Employment
Š.		Nature of Duties	Remuneration (Rupees)					
~	Abhijit Nath*	Vice President - Risk and Investments	19,31,237	MBA	July 14, 2009	5 Years	28	Rreef India Advisors Pvt. Ltd.
7	Anurag Gupta*	Chief Executive Officer - Education Business	9,53,107	PGDBM	Feb 25, 2010	18 Years	41	Frankfinn Aviation Services Pvt. Ltd.
m	Arpit Agrawal*	Sr. Vice President - Operations	29,16,667	Matriculation	April 1, 2009	14 Years	39	Miditech Pvt . Ltd.
4	Ashish Gharde	Chief People Officer	49,88,076	MBA	Feb 12, 2008	12Years	35	Music Broadcast India Pvt. Ltd.
2	Darshan Patodi*	Vice President - Internet - New Media	26,29,347	MBA	April 23, 2009	10 Years	33	Reliance Big Entertainment Pvt. Ltd.
9	Ekta Kapoor	Joint Managing Director	1,32,30,600		Nov 10, 1994	15 Years	35	N/A
7	Gaurav Chopra*	Financial Controller	16,75,241	16,75,241 B.Com, CA&CIMA	Sep 10, 2009	11 Years	33	The Bombay Dyeing And Manufacturing Co. Ltd.
œ	Malini Rai*	Vice President - Corporate Communications	10,71,667	Bachelors in Journalism, MBA	May 18, 2009	12 Years	33	Kingfisher Airlines Ltd.
6	Manish Verma*	Chief Technology Officer	18,38,712	B.E., MDP	Oct 7, 2009	16 Years	36	Yahoo India Pvt. Ltd
10	Meenakshi Roy*	Chief People Officer	12,09,677	B.A., DHRM	April 1, 2009	16 Years	40	Mentamind Consulting
=	Nachiket Pantvaidya*	Chief Executive Officer - Television	61,25,397	B.Sc, PGDM - IIMA	Feb 16, 2009	16 Years	39	BBC Global Channels
12	Nidhiee Sharma*	Vice President - International Business	8,08,394	B.A., MBA	Aug 25, 2009	11 Years	36	Independent Producer & Director
13	Puneet Kinra	Group Chief Executive Officer	1,90,00,000	MBA	Oct 15, 2008	16 Years	38	PricewaterhouseCoopers Pvt. Ltd.
14	Rajneel Kumar	Vice President - Mobile Revenue - New Media	24,22,320	B.Com, PGDBM	April 1, 2009	10 Years	34	Reliance Big Entertainment Pvt. Ltd.
12	Rajnikant Dhorajia*	Senior Vice President- Mobile - New Media	36,90,235	B.E.,PGDBM	April 16, 2009	13 Years	38	People Infocom Pvt. Ltd.
16	Ramalingam Karthikeyan*	Chief Executive Officer	38,30,520	M.Sc, MBA	March 1, 2000	16 Years	41	Nimbus Communications Ltd.
17	Rohit Chopra*	Chief Legal Officer	35,09,991	B.A., LL.B.	May 6, 2009	11 Years	35	Reliance Big Broadcasting Pvt. Ltd.
18	Sakett Saawhney*	General Manager - Production	17,93,884	B.Com	May 1, 2009	11 Years	31	Ram Gopal Verma
19	Sanjay Aggarwal*	Chief Risk & Investment Officer	10,83,333	B.Com, BGL, CA	April 27, 2009	9 Years	38	Atherstone Capital
20	Shobha Kapoor	Managing Director	1,10,12,400	-	Nov 10, 1994	15 Years	61	N/A
21	Simmi Karna*	Senior Vice President - Business Development	21,25,605	M. Sc, M. Phil	Aug 17, 2009	6 Years	45	International Management Group
22	Srinivasa Shenoy	Chief Financial Officer	43,66,667	PGDBM, CA	Feb 16, 2009	10 Years	34	Entertainment Network (India) Ltd.
23	Subhaa Venkat*	Vice President - Creative - Television	15,80,387	B.Com, MA	Aug 5, 2009	24 Years	44	Radaan Media Works (I) Ltd.
24	Sunil Shahani*	Chief Financial Officer	25,45,840	CA, CWA	Feb 11, 2009	17 Years	42	The Walt Disney Company India Pvt. Ltd.
25	Uday Sodhi	Chief Executive Officer - New Media	70,00,008	B.Sc, MMS	Feb 16, 2009	19 Years	44	Rediff.com India Ltd.
26	Vinod Ahuja*	Senior Vice President	3,33,337	3,33,337 M.Sc, PGDBM	Jan 5, 2009	41 Years	58	Indian Army

Note:

1. The gross remuneration shown above comprises of salary, commission, allowances, Company's contribution to provident fund, mediclaim, insurance and monetary value of the perquisites as per income tax rules.

2. The nature of employment in all cases is contractual. Services of Ms. Shobha Kapoor and Ms. Ekta Kapoor are terminable by twelve month's notice for each. Services of all other employees mentioned above are terminable by either party, by giving one month's notice.

4. As on March 31, 2010, Ms. Shobha Kapoor holds 1,00,37,500 shares constituting 15.39% and Ms. Ekta Kapoor holds 9,777,000 shares constituting 14.99% of shares in the Company. 3. None of the employees mentioned above are related to any Directors of the Company, except for Ms. Shobha Kapoor and Ms. Ekta Kapoor, who are related to each other.

5. * 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, the wholly owned subsidiary of the Company and the statement under section 212 of the holding company's interest in the subsidiaries. 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, and are accepted globally.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts in Schedule 15 are selfexplanatory and do not require further explanation.

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 PCs, laptops, air conditioners etc. that meet environmental standards, wherever possible and replace the old equipment with more energy-efficient equipment. Currently, we use CFL fixtures to reduce the power consumption in the illumination system.

Additional investments & proposals, if any, being implemented for reducing consumption of energy

We constantly evaluate new technologies and invest into this to make our infrastructure more energy efficient.

Impact of the measures and consequent impact on the cost of production of goods

As energy costs comprise a very small part of our total expenses, 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.

TECHNOLOGY ABSORPTION

The Company's research and development initiatives mainly consists of ideation of new subjects for our serials 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 for better production values as a regular process.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings is Rs. 3,663.72 Lacs and the outgo is Rs. 16.2 Lacs, as given in Point 14 in Schedule 15 (statement of significant accounting policies and notes forming part of accounts) of the Financial Statements.







FIXED DEPOSITS

The Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the balance sheet date.

CORPORATE GOVERNANCE

A separate section on corporate governance and a certificate from Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges forms part of 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, the applicable accounting standards have been followed and no material departures have been made from the same:
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the

profit or loss of the Company for that period;

- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors takes this opportunity to express their sincere appreciation for the excellent support and cooperation extended by the shareholders, bankers and other business associates. Your Directors further wish to place on record their appreciation of the exemplary contribution made by the employees at all levels, who, through their competence, hard work, solidarity, cooperation and support enabled the Company to achieve consistent growth.

On behalf of the Board of Directors, Jeetendra Kapoor Chairman

> July 19, 2010 Mumbai



REPORT ON CORPORATE GOVERNANCE





Balaji Telefilms Limited (Balaji) 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 maximised
- Ensure that the Board, the Employees and all concerned are fully committed to maximising longterm value to the Shareholders and the Company

COMPOSITION OF BOARD

The Board currently has seven members, of whom two are Executive Directors. The Board has a Non-Executive Chairman. At present, more than 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.

Five meetings of the Board of Directors were held during the year. These were held on May 13, 2009, July 15, 2009, July 29, 2009, October 15, 2009 and January 15, 2010. 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 neither more than ten committees nor committee Chairmanships of more than five committees across all companies in which the person was a director.

The names of members of the Board of Directors, their attendance at Balaji's Board meetings, last Annual General Meeting (AGM), the number of other directorships and memberships / Chairmanships of the committees in various companies are set out below:

Name of the Director	Attendance	Particulars	No. of Directorships and Committee Memberships / Chairmanships			
Name of the Director	Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships	
Mr. Jeetendra Kapoor (P, N)	5	Present	7	3	1	
Ms. Shobha Kapoor (P, E)	5	Present	7	1	0	
Ms. Ekta Kapoor (P, E)	5	5 Present		1	0	
Mr. Akshay Chudasama (N, I)	5	Present	6	5	3	
Mr. Dhruv Kaji (N, I)	3	Not Present	6	5	1	
Mr. Pradeep Sarda (N,I)	3	Present	22	5	0	
Mr. D. G. Rajan# (N,I)	NA	NA	18	8	3	

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

#Mr. D. G. Rajan was inducted to the Board of the Company as Additional Director on July 19, 2010



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. Akshay Chudasama*

Members : Mr. Dhruv Kaji*

Mr. Jeetendra Kapoor Mr. Pradeep Sarda Mr. D. G. Rajan#

Secretary: Ms. Alpa Khandor
Invitees: Chief Financial Officer,

Representatives of Statutory Auditors and

Internal Auditor

* Mr. Akshay Chudasama took over as Chairman of the Audit Committee from Mr. Dhruv Kaji with effect from July 29, 2009

#Mr. D. G. Rajan was inducted to the Audit Committee as member on July 19, 2010

Meetings and Attendance

The details of meetings held during the year, and the attendance thereat are as follows:

Dates of Meetings: May 13, July 29 and October 15 in 2009 and January 15, 2010.

Attendance

Name of the Director	No. of Meetings attended
Mr. Akshay Chudasama	4
Mr. Dhruv Kaji	2
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

The Statutory Auditors and Internal Auditor 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 Auditor is reviewed by the Audit Committee.

SHAREHOLDERS' COMMITTEE

Terms of Reference

The functions and powers of the Shareholders' 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 Shareholders' Committee is as follows:

Chairman : Mr. Jeetendra Kapoor Members : Ms. Shobha Kapoor

Ms. Ekta Kapoor

Compliance : Ms. Alpa Khandor, Company Secretary

Officer



Meeting and Attendance

The details of meeting held during the year, and the attendance thereat are as follows:

Date of Meeting: - June 10, 2009

Attendance

Name of the Director	No. of Meeting attended
Mr. Jeetendra Kapoor	1
Ms. Shobha Kapoor	1
Ms. Ekta Kapoor	1

The committee oversees share transfers and monitors investors' grievances. The committee reviewed the shareholder grievances and the share transfers for the year and expressed satisfaction with the same. The committee also noted the shareholding in dematerialised mode as on March 31, 2010 being 99.93%.

REMUNERATION COMMITTEE

Terms of Reference

The Committee is entrusted with the role and responsibilities of approving compensation packages of Managing Director/ Wholetime Director, reviewing and approving the performance based incentives to be paid to the Managing Director/ Wholetime Director and reviewing and approving compensation package and incentive schemes of senior managerial personnel.

Composition

The composition of the Remuneration Committee is as follows:

Chairman : Mr. Akshay Chudasama

Members : Mr. Dhruv Kaji

Mr. Jeetendra Kapoor Mr. Pradeep Sarda

Secretary : Ms. Alpa Khandor

Meetings and Attendance

The details of meetings held during the year, and the attendance thereat are as follows:

Dates of Meeting: May 13, July 29, and October 15 in 2009

Attendance

Name of the Director	No. of Meetings attended
Mr. Akshay Chudasama	3
Mr. Dhruv Kaji	2
Mr. Jeetendra Kapoor	3
Mr. Pradeep Sarda	2

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. Though both Executive and Non-Executive Directors are entitled to commission @ of 2.5% each, due to insufficient profits none of them were paid any commission.

No remuneration was paid to non-executive directors apart from sitting fees. Although there is eligibility of commission at fixed rate of 0.80% to the Chairman and 0.20% of the net profits of the Company computed in accordance with Sections 349 and 350 of the Companies Act, 1956, to all other Non-Executive Directors as on date with a ceiling of Rs. 3 lakhs each, no commission was paid to any director due to insufficient profits. Besides the sitting fees, rent amounting to Rs. 23.38 lakhs paid to Mr. Jeetendra Kapoor (refer Note No. B-8 in Schedule 15 'Notes on Accounts', annexed to the Financial Statements of the year), there is no other pecuniary transaction by the Company with Non-Executive Directors.



Details of the remuneration to the Directors for the year ended March 31, 2010.

Details of the remaineration to the Directors for the year ended March 31, 2010							
Name	Designation	Remuneration for the year 2009-2010 (in Rs.)					No. of shares held by Non- Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Ms. Shobha Kapoor	Managing Director	5520000	4830000	-	662400	11012400	N.A.
Ms. Ekta Kapoor	Joint Managing Director	6630000	5805000	-	795600	13230600	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	75000	-	75000	4392000
Mr. Akshay Chudasama	Director	-	-	75000	-	75000	-
Mr. Dhruv Kaji	Director	-	-	45000	-	45000	_
Mr. Pradeep Sarda	Director	-	-	45000	-	45000	-

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

The agreements with Managing Director and the Joint Managing Director are for a period of three years. The nature of employment of Ms. 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 the agreements, the severance fees would be equivalent to the remuneration for unexpired residue of the tenure or for three years, whichever is shorter.

GENERAL BODY MEETINGS

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

Annual General Meeting	Day, Date	Time	Venue
13th Meeting	Thursday, July 26, 2007	4:00 p.m.	'Shri Bhaidas Maganlal Sabhagriha" Swami Bhaktivedanta Marg, J.V.P.D. Scheme, Vile Parle (West), Mumbai - 400 056.
14th Meeting	Tuesday, July 29, 2008	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.
15th Meeting	Wednesday, July 29, 2009	4:30 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

2007 - None

2008

- Alteration of an Article in Articles of Association of the Company
- Appointment of Mr. Tusshar Kapoor as Executive Director of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company
- Appoinment of Mr. Ramesh Sippy as Chief Executive Officer of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company

2009 - None

One special resolution was passed through postal ballot in March 2008

Revision in Remuneration of Creative Director of the Company

Details of Voting Pattern

99.99~% of shares in assent and 0.01 % of shares in dissent

Person who conducted the postal ballot

Nilesh G. Shah, Company Secretary in Practice

Two special resolutions were passed through postal ballot in December 2008

- Alteration of Object clause of Memorandum of Association
- 2. Alteration of the Articles of Association by adoption of new set of Articles

Details of Voting Pattern

99.98~% of shares in assent and 0.02 % of shares in dissent

Person who conducted the postal ballot

Nilesh G. Shah, Company Secretary in Practice

Three special resolutions were passed through postal ballot in December 2009

- Re-appointment of Ms Shobha Kapoor as Managing Director of the Company and Payment of Remuneration to her
- Appointment of Ms Ekta Kapoor as Joint Managing Director of the Company and Payment of Remuneration to her
- Appointment of Mr. Ramesh Sippy to the office or place of profit under Balaji Motion Pictures Limited, the wholly owned subsidiary of the Company

Details of Voting Pattern

99.99~% of shares in assent and 0.01 % of shares in dissent

Person who conducted the postal ballot

Nilesh G. Shah, 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

DISCLOSURES

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. B - 8 in Schedule 15 "Significant Accounting Policies and Notes on Accounts" annexed to the Financial Statements of the year.

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.



Though there is no formal Whistle Blower Policy, 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. 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 and Group CEO of the Company, forms part of this Report, which alongwith the auditor's certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report. The Company has complied with all the mandatory requirements of clause 49 of the Listing Agreement.

RE-APPOINTMENT OF DIRECTORS

The individual details of Directors seeking re-appointment at the ensuing Annual General Meeting of the Company are annexed to the notice of Annual General 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 the Company's share price is released at the earliest.

The Company's financial results were published in Business Standard, Free Press Journal and Navshakti/ Sakal (regional daily). The financial results and official news releases were displayed on the Company's web site www.balajitelefilms.com. Presentations made to the institutional investors and analysts are displayed on the Company's website. No such presentations were made in the current financial year. The Company sends a copy of its half-yearly results to each shareholder.

The Financial Results of the Company for each quarter were also put on the web site of Electronic Data Information and Retrieval (EDIFAR) maintained by National Informatics Centre and can also be accessed from the web site www.sebiedifar.nic.in. SEBI vide its Circular No. CIR/CFD/DCR/3/2010 dated April 16, 2010 has made Amendments to the Equity Listing Agreement to formally discontinue the EDIFAR Filing system and hence these filings have been discontinued forthwith.

Managements' discussion and analysis forms part of the Annual Report, which is being posted to shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Date of Book Closure

August 16, 2010 to August 27, 2010 (both days inclusive).

Date, time and venue of the Annual General Meeting

August 27, 2010 at 4:30 p.m. at "The Club', 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.

Dividend payment

The Board of Directors has recommended final dividend of Rs. 0.30 per share, i.e. 15% for the year ended March 31, 2010. The final dividend will be paid within the stipulated number of days once it is approved at the Annual General Meeting.

Listing on Stock Exchanges

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)

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)



ISIN

INE794B01026

Listing Fees

Paid for both the above Stock Exchanges as per listing agreements

Listing on Stock Exchanges outside India

Not applicable

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

Email: balaji@balajitelefilms.com Web site: www.balajitelefilms.com

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: mailmanager@karvy.com

Share Transfer System

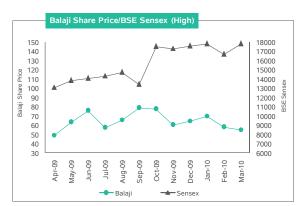
Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee meets as often as required. There were no shares transfers in physical form during the year 2009-2010 and no share transfer pending as on March 31, 2010.

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 Company's market capitalisation as on March 31, 2010 was Rs. 33,257.33 lakhs. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

		BSE	
Month	High	Low	No. of Shares Traded
April	49.25	28.45	1,86,64,394
May	63.25	40.00	1,72,62,777
June	75.70	51.70	1,49,66,600
July	57.25	40.20	62,86,562
August	65.80	48.70	1,20,98,233
September	78.40	59.40	1,05,36,625
October	77.40	50.35	31,63,309
November	60.25	50.20	18,04,348
December	64.70	53.00	34,62,835
January	70.00	51.25	34,07,367
February	57.70	48.15	7,08,272
March	55.15	48.55	11,54,424

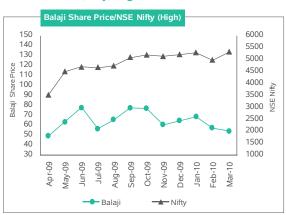
The performance of Balaji's equity shares relative to the BSE Sensitive Index (Sensex) is given in chart below:





NSE								
Month	High	Low	No. of Shares Traded					
April	49.30	28.45	32221606					
May	63.20	37.50	29217310					
June	78.05	51.20	32833973					
July	57.20	40.05	13661011					
August	65.65	48.60	22274508					
September	78.20	59.50	19868428					
October	77.40	51.10	6860777					
November	60.40	50.30	4132620					
December	64.55	53.00	6904335					
January	68.25	51.15	6660216					
February	57.50	48.10	1555798					
March	54.55	48.70	2701078					

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



Fact Sheet

Items	2009-10	2008-09
Earnings per share (Rs.)	2.33	4.04
EPS - Fully diluted (Rs.)	2.33	4.04
Dividend per share (Rs.)	0.30	0.30
Number of shares	6,52,10,443	6,52,10,443

		(Rs.)
Share price data		
High	78.4	221.80
Low	28.45	24.80
Closing	51.00	29.55

Investor Service - Complaints Received During the year ended March 31, 2010

Nature of Complaints	Received	Disposed	
Non Receipt of Dividend	30	30	
Non Receipt of Annual Report	10	10	

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2010.

Shareholding Pattern of Balaji as on March 31, 2010

Category	No. of shares held	Percentage of shareholding	
Promoters	26237750	40.24	
Foreign Corporate Bodies	16948194	25.99	
Foreign Institutional Investors	592958	0.91	
Mutual Funds / UTI	7723900	11.84	
Resident Individuals	6185179	9.48	
Bodies Corporates	6559990	10.06	
Indian Financial Institutions / Banks	396372	0.61	
Non Resident Indians	324757	0.50	
HUF	183359	0.28	
Clearing Members	56934	0.09	
Trusts	1050	0.00	
GRAND TOTAL	65210443	100	



Distribution of shareholding as on March 31, 2010

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% Holding
1 to 5000	26,563	98.44	49,00,800	98,01,600	7.52
5001 to 10000	220	0.82	8,24,401	16,48,802	1.26
10001 to 20000	90	0.33	6,66,984	13,33,968	1.02
20001 to 30000	28	0.10	3,49,498	6,98,996	0.54
30001 to 40000	12	0.04	2,06,819	4,13,638	0.32
40001 to 50000	15	0.06	3,44,554	6,89,108	0.53
50001 to 100000	28	0.10	9,60,621	19,21,242	1.47
100001 & above	28	0.10	5,69,56,766	11,39,13,532	87.34
Total	26,984	100.00	6,52,10,443	13,04,20,886	100.00

Shares under Lock-in

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

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

As on March 31, 2010 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

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, 2010 about 99.93% comprising 65,162,543 Equity Shares were in the dematerialised form.

Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	August 27, 2010
Financial reporting for 1st quarter ending June 30, 2010	July 19, 2010
Financial reporting for 2nd quarter ending September 30, 2010	Last week of October, 2010
Financial reporting for 3rd quarter ending December 31, 2010	Last week of January, 2011
Financial reporting for the year ended March 31, 2011 (audited)	May, 2011
Annual General Meeting for year ended March 31, 2011	July, 2011

Plant Locations

The details of regional offices of the Company are available on page no. 146 of the Annual Report.



Investors' Correspondence

Investors' correspondence may be addressed to:

Alpa Khandor

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

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

Mr. Srinivasa Shenoy

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: srinivasa.shenoy@balajitelefilms.com

Insider Trading

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

Secretarial Audit

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.

Non Mandatory Requirements

Chairman of the Board

The Company has Non-Executive Chairman, who is entitled to maintain a Chairman's office at the Company's expenses. The expenses incurred by him during performance of his duties are reimbursed to him.

Remuneration Committee

The Company has appointed a Remuneration Committee since January 2003.

Shareholder Rights

The Company has been sending to each shareholder its half-yearly results, starting from the half-year ended September 30, 2001.

CEO DECLARATION

We, Shobha Kapoor, Managing Director and Puneet Kinra, Group Chief Executive Officer 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, 2010.

Shobha Kapoor

Managing Director Mumbai, April 28, 2010 Puneet Kinra

Group Chief Executive Officer



CEO/CFO CERTIFICATION

We, Shobha Kapoor, Managing Director, Puneet Kinra, Group Chief Executive Officer and Srinivasa Shenoy, 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, 2010 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and 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
 - 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.

Shobha Kapoor Managing Director Mumbai, April 28, 2010 **Puneet Kinra**Group Chief Executive Officer

Srinivasa Shenoy Chief Financial Officer

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, 2010, 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.

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 Chartered Accountants Reg. No 117366W

A.B. Jani Partner Membership Number: 46488

Mumbai, Dated: April 28, 2010 For Snehal & Associates Chartered Accountants Reg. No. 110314W

Snehal Shah Proprietor

Membership Number: 40016

Mumbai, Dated: April 28, 2010

STANDALONE FINANCIAL **STATEMENTS**

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AUDITORS' REPORT

To the Members of Balaji Telefilms Limited.

- 1. We have audited the attached Balance sheet of Balaii Telefilms Limited ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, 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;
 - The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956; and
 - e) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts give theinformation required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2010;
 - in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 5. On the basis of written representations received from the directors as on March 31, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956

For Deloitte Haskins & Sells **Chartered Accountants** Reg. No 117366W

For Snehal & Associates **Chartered Accountants** Reg. No. 110314W

A.B. Jani Partner Membership Number: 46488

Proprietor Membership Number: 40016

Dated: April 28, 2010

Snehal Shah

Mumbai, Mumbai, Dated: April 28, 2010

Profit and Loss Account Cash Flow Statement Schedules **Balance Sheet Abstract** Consolidated Financial Statements



ANNEXURE TO THE AUDITORS' REPORT

Re: Balaji Telefilms Limited

(Referred to in Paragraph 3 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 the fixed assets.
 - (b) The fixed assets are in the process of being physically verified by the Management in accordance with a regular program 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, material discrepancies, if any, noticed on such verification will be accounted for on completion of the physical verification exercise.
 - (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 (tapes) 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 (tapes). 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 Rs. 3,453.90 Lacs to its wholly owned subsidiary covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated Rs. 3,593.40 Lacs and the maximum amount involved during the year was Rs. 3,699.40 Lacs.
 - (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 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 Rs. 5 Lacs 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 firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.



- ix) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- 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, 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 Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2010 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, 2010 on account of disputes.
- 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) 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 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 on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells Chartered Accountants Reg. No 117366W For Snehal & Associates Chartered Accountants Reg. No. 110314W

A.B. Jani Partner Membership Number: 46488

Proprietor Membership Number: 40016

Mumbai, Dated: April 28, 2010

Snehal Shah

Dated: April 28, 2010

Mumbai.

Cash Flow Statement Schedules Balance Sheet Abstract Consolidated Financial Statements



BALANCE SHEET

as at March 31, 2010

(Rupees in Lacs)

		Schedule No.	As March 3		As a March 31	
I SO	DURCES OF FUNDS					
1.	Shareholders' funds					
	A. Share capital	1	1,304.21		1,304.21	
	B. Reserves and surplus	2	38,873.91		37,583.71	
	·			40,178.12		38,887.92
2.	Deferred Tax Liability			91.16		-
	TOTAL			40,269.28		38,887.92
II. AF	PPLICATION OF FUNDS			,		,
1.	Fixed assets	3				
	Gross block		14,880.85		9,813.60	
	Less : depreciation		6,749.74		5,768.44	
	Net block		8,131.11		4,045.16	
	Capital work-in-progress		289.93		5,138.99	
				8,421.04		9,184.15
2.	Investments	4		20,978.66		24,567.32
3.	Deferred tax asset (net)			-		429.45
4.	Current assets, loans and advances					
	A. Inventories	5	145.41		90.28	
	B. Sundry debtors	6	5,604.14		5,056.84	
	C. Cash and bank balances	7	287.33		1,112.99	
	D. Loans and advances	8	7,489.01		2,301.00	
			13,525.89		8,561.11	
	Less : Current liabilities and provisions					
	A. Current liabilities	9	2,199.90		3,548.85	
	B. Provisions	10	456.41		305.26	
			2,656.31		3,854.11	
	Net current assets			10,869.58		4,707.00
	TOTAL			40,269.28		38,887.92
	Significant Accounting Policies and Notes on Accounts	15				

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner)

Jeetendra Kapoor (Chairman)

Shobha Kapoor (Managing Director)

Ekta Kapoor (Joint Managing Director)

Place : Mumbai Date : April 28, 2010

For Snehal & Associates
Chartered Accountants

Akshay Chudasama
(Director)

Puneet Kinra (Group CEO)

Snehal Shah (Proprietor)

Alpa Khandor (Company Secretary) Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Place : Mumbai Date : April 28, 2010 Date : April 28, 2010

Balance Sheet

Profit and Loss Account

Cash Flow Statement

Schedules



PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2010

		((Rupees in Lacs)
	Schedule No.	For the year 2009 - 2010	Previous Year 2008 - 2009
INCOME			
Turnover		15,282.41	29,491.89
Other income	11	3,317.16	2,127.03
TOTAL		18,599.57	31,618.92
EXPENDITURE			
Cost of production of television serials / content	12	10,606.67	18,066.38
Employee costs	13	1,637.90	1,320.41
Administrative and other expenses	14	3,096.30	6,128.49
Depreciation / Amortisation		1,033.43	2,352.26
TOTAL		16,374.30	27,867.54
PROFIT BEFORE TAX		2,225.27	3,751.38
Provision for tax			
Current tax		(168.17)	(1,855.00)
(Short) provision for tax in respect of earlier years		(13.09)	(34.79)
Wealth tax		(4.31)	(4.80)
Deferred tax		(520.62)	860.33
Fringe Benefits Tax		-	(85.00)
PROFIT AFTER TAX		1,519.09	2,632.12
Balance brought forward from previous year		18,290.55	16,154.01
AMOUNT AVAILABLE FOR APPROPRIATION		19,809.64	18,786.13
Appropriation			
Transferred to general reserve		153.22	266.69
Proposed dividend		195.63	195.63
Corporate dividend tax		33.26	33.26
BALANCE CARRIED TO BALANCE SHEET		19,427.53	18,290.55
Basic and diluted earnings per share		2.33	4.04
(Refer note B10 of Schedule 15)			
Significant Accounting Policies and Notes on Accounts	15		

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Jeetendra Kapoor (Chairman)

Shobha Kapoor (Managing Director)

Ekta Kapoor (Joint Managing Director)

Place : Mumbai Date : April 28, 2010

For Snehal & Associates

Chartered Accountants

Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Snehal Shah (Proprietor)

Alpa Khandor (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Date : April 28, 2010

Place : Mumbai Date : April 28, 2010







CASH FLOW STATEMENT for the year ended March 31, 2010

		For the	year	Previou	s Year
		2009 -		2008 -	2009
A	Cash flow from operating activities				
	Profit before tax	2,225.27		3,751.38	
	Adjustments for:	,		-,	
	Depreciation / amortisation	1,033.43		2,352.26	
	Bad debts written off	10.63		2.73	
	Provision for doubtful debts (net)	14.00		1,827.61	
	Loss on sale / discard of fixed assets(net)	72.73		149.93	
	Profit on sale of long term investments (non-trade) (net)	(1,258.24)		(838.18)	
	Provision for doubtful debts written back (net)	(1,119.40)		(030.10)	
	Excess provision of earlier years written-back (net)	(73.44)		(359.42)	
	•	` '		(339.42)	
	Provision for diminution in long term investments (non-trade) written back	(440.00)		- 440.00	
	Provision for diminution in long term investments (non-trade)	-		440.00	
	Surplus on liquidation of subisidiary	- (54.62)		(273.67)	
	Interest income on Fixed Deposits	(51.62)		(74.53)	
	Interest income on tax free bonds	-		(8.44)	
	Interest income on income tax refunds	-		(21.19)	
	Dividend income	(251.18)		(518.03)	
	Operating profit before working capital changes	162.18		6,430.45	
	Decrease in trade and other receivable	391.83		335.80	
	(Increase) / Decrease in inventories	(55.13)		867.13	
	(Decrease) in trade payables	(1,189.73)		(234.80)	
	(Decrease) in trade payables	(1,103.73)	(690.85)	(234.00)	7,398.5
	Direct taxes paid and fringe benefits tax paid (net)		(950.78)		(2,415.6
	Net cash (used in) / from operating activities (a)		(1,641.63)		4,982.9
3	Cash flow from investing activities				
	Purchase of fixed assets	(390.78)		(5,498.46)	
	Sale of fixed assets	47.75		2.64	
	Purchase of investments	(16,882.32)		(8,246.14)	
	Sale of investments	22,169.21		9,047.47	
	Loans given to Trust	(1,000.00)		-	
	Loans / Advances given to subsidiaries	(3,453.09)		(1,948.28)	
	Loans / Advances repaid by subsidiaries	251.30		3,766.77	
	Liquidation of Investment in subisidiary	-		18.87	
	Surplus on liquidation of subisidiary	-		273.67	
	Interest income	64.88		-	
	Dividend income received	251.18		611.44	
	Net cash from / (used in) investing activities(b)		1,058.12		(1,972.0
	Cash flow from financing activities				
	Dividend paid	(195.63)		(2,282.48)	
	Corporate dividend tax paid	(33.26)		(387.89)	
	Net cash (used in) financing activities (c)		(228.89)		(2,670.3
_	Net (decrease) / increase in Cash and Cash equivalents (a+b+c)		(812.40)		340.5
_	Cash and Cash equivalent at the beginning of the year		1,099.73		759.1
			,,,,,,,,,		. 00.1



CASH FLOW STATEMENT

for the year ended March 31, 2010

(Rupees in Lacs)

		For the year 2009-2010		Previous Year 2008 - 2009	
No	tes:				
1.	Components of Cash and Cash equivalent include cash and bank balances (refer Schedule 7)				
2.	Reconciliation of Cash and Cash Equivalents:				
	As per Balance Sheet - Schedule 7		287.33		1,112.99
	Less: Interest accrued on bank deposits		-		13.26
	As per Cash Flow Statement		287.33		1,099.73
3.	Cash and Cash equivalents includes Fixed Deposits of Rs. 65.55 Lacs (previous year Rs. 58.55 Lacs) on which the Bank has lien				
4.	Purchase of fixed assets (including movements in capital work in				
	progress) is treated as a part of investing activities				
5.	Cash and Cash equivalents include balances in unpaid divided accounts aggregating to Rs. 10.24 Lacs (previous year Rs. 12.05 Lacs)				

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Place : Mumbai

Date: April 28, 2010

For Snehal & Associates **Chartered Accountants**

Snehal Shah (Proprietor)

Place: Mumbai Date: April 28, 2010

Jeetendra Kapoor (Chairman)

Akshay Chudasama

(Director)

Shobha Kapoor (Managing Director)

Puneet Kinra (Group CEO)

Ekta Kapoor

(Joint Managing Director)

Alpa Khandor Srinivasa Shenoy (Company Secretary) (Chief Financial Officer)

Place: Mumbai Date: April 28, 2010



forming part of the Balance Sheet

(Rupees in Lacs) As at As at March 31, 2010 March 31, 2009 SCHEDULE - 1 **SHARE CAPITAL Authorised** 75,000,000 Equity Shares of Rs. 2/- each 1,500.00 1,500.00 Issued, Subscribed and Paid-Up: 65,210,443 Equity Shares of Rs. 2/- each 1,304.21 1,304.21 Note: 6,500,000 Equity Shares of the original value of Rs. 10/- each were allotted as fully paid-up bonus shares by capitalisation of surplus in Profit and Loss account. **TOTAL** 1,304.21 1,304.21 **SCHEDULE - 2 RESERVES AND SURPLUS** Share premium account As per last Balance Sheet 14,785.61 14,785.61 General reserve 4,507.55 4,240.86 As per last Balance sheet Add: Transferred from Profit and Loss account 153.22 266.69 4,660.77 4,507.55 19,427.53 Surplus in Profit and Loss account 18,290.55 **TOTAL** 38,873.91 37,583.71



forming part of the Balance Sheet

SCHEDULE 3

FIXED ASSETS

									(R	(Rupees in Lacs)
		GROSS	S BLOCK		DEPR	ECIATION /	DEPRECIATION / AMORTISATION	NOI	NET BLOCK	LOCK
PARTICULARS	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto March 31, 2009	For the year	On Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Land	'	4,795.30	'	4,795.30	I	'	1	1	4,795.30	'
Buildings	469.36	ı	1	469.36	34.84	7.65	1	42.49	426.87	434.52
Plant and machinery - Computers	511.52	92.92	1	604.44	177.40	87.62	I	265.02	339.42	334.12
Plant and machinery - Others	1,977.90	1	ı	1,977.90	772.17	139.94	1	912.11	1,065.79	1,205.73
Computers	281.10	95.04	1	376.14	215.15	56.79	1	271.94	104.20	65.95
Studios and sets	5,063.38	139.40	1	5,202.78	4,167.35	587.87	ı	4,755.22	447.56	896.03
Vehicles	743.31	94.19	172.59	664.91	229.49	59.66	52.13	237.02	427.89	513.82
Furniture and fixtures	268.54	5.01	1	273.55	82.28	17.97	1	100.25	173.30	186.26
Office equipments	268.69	7.83	1	276.52	47.41	8.70	1	56.11	220.41	221.28
Electrical fittings	41.37	10.15	1	51.52	7.68	4.42	1	12.10	39.42	33.69
Lease Hold Improvements	188.43	1	ı	188.43	34.67	62.81	1	97.48	90.95	153.76
Total	9,813.60	5,239.84	172.59	14,880.85	5,768.44	1,033.43	52.13	6,749.74	8,131.11	4,045.16
Previous year	9,477.23	2,121.67	1,785.30	9,813.60	5,048.91	2,352.26	1,632.73	5,768.44		
Capital work in progress (Including capital advances)	(Including capita	al advances)							289.93	5,138.99
								TOTAL	8,421.04	9,184.15

1. Building includes Rs. 220.86 Lacs (previous year Rs. 220.86 Lacs), being cost of ownership premises in co-operative society including cost of shares of face value of Rs. 0.01 lac received under Bye-law of the society.

Corporation for the purpose of building its studios. The Company has been made a party in the dispute between the original owner of the land and a buyer, who claims to have purchased the same land at an earlier date. The matter is sub judice at the High Court of Mumbai and the Company is pursuing all legal remedies available 2. The Company has invested an amount of Rs. 3,075.77 Lacs, in land approximately admeasuring 24,980 sq. mtrs. situated within the limits of Mira Bhayander Municipal in this matter. Subsequent to the year end, the buyer has filed a Special Leave Petition before the Hon'ble Supreme Court on April 9, 2010. The buyer withdrew their Special Leave for Petition unconditionally. 3. Capital work-in-progress includes Rs. 271 Lacs (previous year Rs. 271 Lacs) paid to a party for purchase of premises in Santacruz Electronic Export Proceessing Zone. The Company is in the process of obtaining the necessary regulatory permissions required for transferring the same in its name.



forming part of the Balance Sheet

				(Rup	ees in Lacs)
		Numbers		Value	
	Face Value (in Rs.)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
SCHEDULE - 4					
	_				
INVESTMENTS					
Long Term Investments (Non-Trade)					
Unquoted					
Equity Shares of Subsidiary Companies (Fully Paid-Up)					
Balaji Motion Pictures Limited	10.00	30,000,000	30,000,000	3,000.00	3,000.00
In Units of Mutual Funds					
AIG FMP I Series I - Institutional - Growth	1,000.00	-	15,000	-	150.00
Birla FTP - Series - AD - Growth	10.00	-	2,000,000	-	200.00
Birla FTP - Series - AE - Growth	10.00	-	2,000,000	-	200.00
Birla FTP - Series - AJ - Growth	10.00	-	2,000,000	-	200.00
Birla FTP - Series - AL - Growth	10.00	-	1,500,000	-	150.00
Birla Income Plus - Growth	10.00	-	423,668	-	150.00
Birla Sun Life Fixed Term Plan Series BG - 370 Days - Growth	10.00	-	2,000,000	-	200.00
Birla Sun Life Fixed Term Plan Series BI - 370 Days - Growth	10.00	-	2,000,000	-	200.00
Birla Sun Life Fixed Term Plan Series BK	10.00	5,000,000	5,000,000	500.00	500.00
Birla Sun Life FloatIng Rate Fund Long Term - Institutional - Weekly Dividend Reinvestment	10.00	3,353,392	-	336.64	-
Birla Sun Life Short Term Fund - Institutional Growth	10.00	-	1,965,602	-	200.00
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	10.00	1,825,505		204.44	
Birla Sunlife Special Situtation Fund - Growth	10.00	-	977,995	-	100.00
Canara Robeco Fixed Maturity Plan - Series 4 (19 Months Plan)	10.00	2,000,000	2,000,000	200.00	200.00
DSP Blackrock FMP - Institutional - 18 Months - Series 1 - Growth	10.00	-	2,000,000	-	200.00
DSP Blackrock FMP - Institutional - 15 Months - Series 2 - Growth	10.00	-	1,500,000	-	150.00
DSP Blackrock FMP13M Series 2 Growth	10.00	5,000,000	-	500.00	-
DWSFixed Term Fund - Series 51 - Regular Growth	10.00	-	1,000,000	-	100.00
DWSFixed Term Fund - Series 52 - Institutional Growth	10.00	-	1,000,000	-	100.00
DWSFixed Term Fund - Series 55 - Institutional Growth	10.00	-	1,000,000	-	100.00
DWSFixed Term Fund - Series 62 - Institutional Growth	10.00	10,000,000	10,000,000	1,000.00	1,000.00
DWSMoney Plus Fund Institutional Plan Weekly Dividend	10.00	1,654,422		167.79	
Fidelity Fixed Maturity Plan - Series 1 - Plan A - Institutional Growth	10.00	-	1,500,000	-	150.00
Fidelity Fixed Maturity Plan - Series 1 - Plan B - Institutional Growth	10.00	-	1,500,000	-	150.00
Fidelity Fixed Maturity Plan - Series 1 - Plan C - Institutional Growth	10.00	-	1,000,000	-	100.00
Fortis FTP - Series 10 - Plan B - Institutional Growth	10.00	-	1,000,000	-	100.00
Fortis FTP - Series 13 Plan B	10.00	-	1,000,000	-	100.00
Fortis FTP - Series 14A	10.00	-	2,000,000	-	200.00
Fortis FTP - Series 14C	10.00	5,000,000	5,000,000	500.00	500.00
Fortis Money Plus Ip Fund - Growth	10.00	3,776,150	-	500.00	_
HDFC Equity Fund - Dividend	10.00	-	507,692	-	200.00
HDFC FMP 13M March 2010 Growth - Series XII	10.00	5,000,000	-	500.00	-
HDFC FMP 13M October 2009 - Growth - Series XI	10.00	5,000,000	-	500.00	
HDFC FMP 18M November 2007 - Wholesale Plan Growth	10.00	-	2,000,000	-	200.00
HDFC FMP 20M August 2008 (ix) - Wholesale Plan Growth	10.00	2,000,000	2,000,000	200.00	200.00
HDFC FMP 20M Sep 2009 - Growth - Series Xi	10.00	5,103,428	-	510.34	





forming part of the Balance Sheet

					ees in Lacs)
		Num	bers	Val	ue
SCHEDULE - 4 (Contd.)	Face Value (in Rs.)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
HDFC FMP 370D July 2008 (viii) (1) - Wholesale Plan Growth	10.00	-	2,000,000	-	200.00
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	3,916,459	-	415.34	-
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	3,918,985	-	414.10	-
HDFC Monthly Income Plan Short Term Fund - Quarterly Dividend	10.00	-	2,539,860	-	260.30
HSBC Fixed Term Series 52 - Institutional - Growth	10.00	-	2,000,000	-	200.00
HSBC Fixed Term Series 63 - Institutional - Growth	10.00	-	2,000,000	-	200.00
ICICI Prudential Equity & Derivatives Fund - Income Optimiser - Retail Dividend	10.00	-	1,145,899	-	115.16
ICICI Prudential FMP Series 41 - 19 Months Plan - Retail Cumulative	10.00	-	2,500,000	-	250.00
ICICI Prudential FMP Series 42 - 16 Months Plan - Institutional Growth	10.00	-	2,000,000	-	200.00
ICICI Prudential Institutional Income Plan - Growth	10.00	-	330,424	-	100.00
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	10.00	97,110	-	102.39	-
ICICI Prudential Flexible Income Plan - Weekly Dividend	100.00	240,361	482,795	253.42	53.08
ICICI Prudential FMP Series 49 - 1 Year Plan B Institutional Growth	10.00	4,002,921	-	400.29	_
IDFC FMP - Thirteen Months Series 1 - Plan B - Growth	10.00	5,000,000	5,000,000	500.00	500.00
ING Vyasa Fixed Maturity Fund - 47 Institutional Growth	10.00	-	2,000,000	-	200.00
ING Vyasa Yearly FMP 366 - A Institutional Growth	10.00	-	1,500,000	-	150.00
ING Vysya Fixed Maturity Fund Series - 38 Institutional Growth	10.00	-	1,000,000	-	100.00
JM Agri & Infra Fund - Growth Plan	10.00	-	1,500,000	-	150.00
JM Arbitrage Advantage Fund - Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00
JM Contra Fund - Growth Plan	10.00	-	977,995	-	100.00
JM Fixed Maturity Fund - Series VII - 15 Months Plan - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
JM Fixed Maturity Fund - Series VII - 18 Months Plan - Institutional Growth Plan	10.00	-	2,500,000	-	250.00
JP Morgan India Smaller Companies Fund - Growth Plan	10.00	-	977,995	-	100.00
Kotak Bond (Regular) - Quarterly Dividend	10.00	-	1,733,197	-	202.78
Kotak Bond (Short Term) - Monthly Dividend	10.00	-	9,107,473	-	915.79
Kotak Floater Long Term - Daily Dividend Reinvestment	10.00	-	2,019,660	-	203.58
Kotak Floater Long Term - Growth	10.00	411,056	-	57.49	
Kotak Floater Long Term - Weekly Dividend	10.00	11,647,770	-	1,174.41	
Kotak FMP 12M Series 3 - Institutional - Growth	10.00	-	2,000,000	-	200.00
Kotak FMP 12M Series 7 - Institutional - Growth	10.00	-	1,500,000	-	150.00
Kotak FMP 12M Series 8 - Institutional - Growth	10.00	-	1,000,000	-	100.00
Kotak FMP 12M Series 9 - Institutional - Growth	10.00	-	1,000,000	-	100.00
Kotak FMP 13M Series 4 - Institutional - Growth	10.00	-	2,000,000	-	200.00
Kotak FMP 13M Series 6 - Growth	10.00	3,081,120	-	308.11	
Kotak FMP 14M Series 3 - Institutional - Growth	10.00	-	2,000,000	-	200.00
Kotak FMP 16M Series 2 - Institutional - Growth	10.00	-	2,000,000	-	200.00
Kotak FMP 17M Series 1 - Institutional - Growth	10.00	-	1,500,000	-	150.00
Kotak FMP 19M Series 1 - Institutional - Growth	10.00	2,000,000	2,000,000	200.00	200.00
Kotak Wealth Builder Series 1 - Growth	10.00	-	1,000,000	-	100.00
L&T Fixed Maturity Plan Series 12 plan 15M March 10 I Growth	10.00	5,000,000	-	500.00	-
LIC MF FMP Series 34 - 16 Months Growth Plan	10.00	-	2,000,000	-	200.00



forming part of the Balance Sheet

					ees in Lacs)
		Num	bers	Val	ue
SCHEDULE - 4 (Contd.)	Face Value (in Rs.)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
LIC MF FMP Series 42 - 13 Months Growth Plan	10.00	-	1,500,000	-	150.00
Principal Mip Plus - Monthly Dividend Reinvestment	10.00		3,967,683	_	476.26
Principal PNB Fixed Maturity Plan (FMP 40) 385 Days Series VII	10.00		1,000,000	_	100.00
Reliance Annual Interval Fund - Series I - Institutional Growth Plan	10.00	_	1,807,142	-	200.00
Reliance Equity Opportunities Fund - Dividend Plan	10.00	_	653,357	-	122.56
Reliance Fixed Horizon Fund IV - Annual Plan - Series 5 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00
Reliance Fixed Horizon Fund IV - Annual Plan - Series 7 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00
Reliance Fixed Horizon Fund IV - Series 6 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00
Reliance Fixed Horizon Fund IX - Series 6 - Institutional Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00
Reliance Fixed Horizon Fund VII - Series 5 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00
Reliance Fixed Horizon Fund VII - Series 1 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
Reliance Fixed Horizon Fund VIII - Series 3 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
Reliance Fixed Horizon Fund VIII - Series 6 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
Reliance Fixed Horizon Fund X - Series 2 - Institutional Growth Plan	10.00	-	1,500,000	-	150.00
Reliance Fixed Horizon Fund X - Series 8 - Super Institutional Growth Plan	10.00	-	2,000,000	-	200.00
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional Growth Plan	10.00	10,000,000	10,000,000	1,000.00	1,000.00
Reliance Interval Fund Quarterly Plan - Series I - Institutional Dividend Plan	10.00	-	3,493,127	-	349.34
Reliance Monthly Interval Fund Series II Retail Dividend Plan	10.00	1,999,280	-	200.00	_
Reliance Natural Resources Fund - Growth Plan - Growth Option	10.00	-	977,995	-	100.00
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10.00	4,148,379	-	500.00	_
Reliance Short Term Fund - Retail Plan - Dividend Plan	10.00	3,864,912	-	413.99	_
Religare Fixed Maturity Plan Series II Plan A (13 months)	10.00	5,000,000	-	500.00	-
Religare Fixed Maturity Plan Series II Plan B (15 months)	10.00	5,000,000	-	500.00	-
Religare FMP - 14 Months - Series III - Institutional Growth	10.00	-	2,000,000	-	200.00
Religare FMP - 15 Months - Series II - Institutional Growth	10.00	-	2,000,000	-	200.00
Religare FMP - 375 Days - Series XVII - Institutional Growth	10.00	-	1,000,000	-	100.00
Religare FMP - Series I - Plan A (375 Days) - Institutional Growth	10.00	5,000,000	5,000,000	500.00	500.00
SBI Debt Fund Series - 18 Months - 3 - Institutional Growth	10.00	-	1,000,000	-	100.00
SBI Debt Fund Series - 370 Days - 2 - Institutional Growth	10.00	-	1,000,000	-	100.00
Sundaram BNP Paribas Fixed Term 367 Days Series 8 Super Institutional Growth	10.00	10,000,000	10,000,000	1,000.00	1,000.00
Sundaram BNP Paribas Fixed Term Plan 16 Institutional Growth	10.00	-	2,000,000	-	200.00
Sundaram BNP Paribas Fixed Term Plan H Institutional Growth	10.00	-	1,000,000	-	100.00
Sundaram BNP Paribas Fixed Term Plan I Institutional Growth	10.00	-	1,000,000	-	100.00
Sundaram BNP Paribas Fixed Term Plan K Institutional Growth	10.00	-	1,000,000	-	100.00
Sundaram BNP Paribas Fixed Term Plan L Institutional Growth	10.00	2,000,000	2,000,000	200.00	200.00
Sundaram BNP Paribas FTP 367 Days Series P - Growth	10.00	4,000,000	-	400.00	-
Tata Fixed Investment Plan - 1 Scheme A - Institutional Plan - Growth	10.00	-	2,000,000	-	200.00
Tata Fixed Maturity Plan Series 25 Scheme B	10.00	4,052,755		405.28	
Templeton Fixed Horizon Fund Series IX - Plan A	10.00	-,032,733	1,500,000	+03.20	150.00
Templeton Fixed Horizon Fund Series VIII - Plan E	10.00		1,000,000		100.00
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	1,000.00	62,114	-	714.63	-





forming part of the Balance Sheet

		Num	bers	Val	ue
SCHEDULE - 4 (Contd.)	Face Value (in Rs.)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
UTI Fixed Income Interval Fund - Quarterly Plan Series - III - Institutional Dividend Plan - Reinvestment	10.00	-	1,084,794	-	108.47
UTI Fixed Income Interval Fund Annual Interval Plan IV - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
UTI Fixed Income Interval Fund Annual Interval Plan Series II - Institutional Growth Plan	10.00	-	3,000,000	-	300.00
UTI Fixed Income Interval Fund Annual Interval Plan Series III - Institutional Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00
UTI Fixed Income Interval Fund Series Ii Quarterly Interval Plan VII - Institutional Dividend Plan	10.00	-	2,000,000	-	200.00
UTI Fixed Maturity Plan Yearly Series YFMP/0309 - Institutional Growth	10.00	5,000,000	5,000,000	500.00	500.00
UTI Fixed Maturity Plan Yearly Series YFMP09/09 - Institutional Growth	10.00	5,000,000	-	500.00	-
UTI Fixed Term Income Fund Series - III Plan 20 - Institutional Growth	10.00	-	2,000,000	-	200.00
UTI Fixed Term Income Fund Series - IV Plan X (May 08 - 12 months) - Institutional Growth Plan	10.00	-	1,000,000	-	100.00
UTI Fixed Term Income Fund Series V - I (13 Months) - Institutional Growth Plan	10.00	-	1,500,000	-	150.00
UTI Fixed Term Income Fund Series V - III (24 Months) - Institutional Growth Plan	10.00	1,000,000	1,000,000	100.00	100.00
TOTAL				20,978.66	25,007.32
Less: Provision				-	440.00
TOTAL				20,978.66	24,567.32



forming part of the Balance Sheet

SCHEDULE - 4 (Contd.)

Note:

1. Details of Investments purchased and sold during the year

Particulars	Numbers	Cost
AIG India Treasury Fund - Super Institutional - Growth	3,497,207	400.00
Birla Sun Life Income Plus - Quarterly Dividend	1,875,077	212.08
Birla Sun Life Savings Fund - Institutional - Growth	2,395,353	400.00
Birla Sun Life Savings Fund - Institutional - Weekly Dividend Reinvestment	13,353,783	1,336.58
Birla Sunlife Dynamic Bond Fund - Retail	6,169,748	903.63
Canara Robeco Short Term Fund - Growth	2,960,127	300.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	2,466,018	250.10
DWS Short Maturity Fund - IP - Growth	3,802,751	400.00
Fortis Short Term Income Fund - IP - Growth	3,999,120	400.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	1,551,535	300.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvestment	7,209,339	722.62
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvestment	3,079,732	308.88
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option Dividend Reinvestment	4,021,108	405.36
HDFC Liquid Fund - Dividend - Daily Reinvestment Option : Reinvestment	1,961,342	200.02
HDFC Monthly Income Plan Short Term Fund - Quarterly Dividend	32,065	3.55
HDFC Short Term Plan - Dividend, Option : Reinvestment	2,983,598	307.18
HDFC Short Term Plan - Growth	3,504,998	600.02
ICICI Prudential Blended Plan A - Growth	3,665,501	500.00
ICICI Prudential Flexible Income Plan - Premium - Growth	3,829,955	900.00
ICICI Prudential Flexible Income Plan - Weekly Dividend	4,939,828	1,600.86
ICICI Prudential Institutional Income Plan Dividend Quarterly	5,127,989	622.18
ICICI Prudential Short Term Institutional Plan - Cummulative Option	1,738,898	322.97
IDFC Money Manager - Treasury Plan - Plan B - Growth	2,124,932	300.00
ING Treasury Advantage Fund - IP - Growth	3,369,045	400.00
Kotak Bond (Regular) - Quarterly Dividend	119,129	12.69
Kotak Bond (Short Term) - Monthly Dividend	543,808	54.83
Kotak Equity Arbitrage Fund - Growth	2,267,591	300.00
Kotak Floater Long Term - Daily Dividend Reinvestment	3,058,733	308.31
Kotak Floater Long Term - Growth	1,733,992	242.51
Reliance Interval Fund Quarterly Plan - Series I - Institutional Dividend Plan	7,907	0.79
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Plan	1,054,894	227.37
Reliance Money Manager Fund - Institutional Plan Weekly Dividend Plan	22,233	222.71
Sundaram BNP Paribas Ultra Short Term Fund - Super Institutional - Growth	4,209,392	500.00
Tata Floater Fund - Daily Dividend Reinvestment	4,038,379	405.28
Tata Floater Fund - Growth	3,044,882	400.00





forming part of the Balance Sheet

		(Rupees in Lacs)
	As at	As at
	March 31, 2010	March 31, 2009
SCHEDULE - 5		
INVENTORIES		
INVENTORIES Television serials	83.20	72.22
	8.53	
Tapes Content	53.68	18.06
TOTAL		- 00.20
TOTAL	145.41	90.28
SCHEDULE - 6		
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months	1,399.99	1,946.87
Other debts	4,218.15	4,948.81
	5,618.14	6,895.68
Less: Provision	14.00	1,838.84
TOTAL	5,604.14	5,056.84
Notes:		
Considered Good	F 604 14	E 0E6 94
	5,604.14	5,056.84
Considered Doubtful TOTAL	14.00 5,618.14	1,838.84 6,895.68
SCHEDULE - 7		
CASH AND BANK BALANCES		
Cash on hand	28.39	24.37
Balances with scheduled banks	20.39	24.37
In Current accounts	31.06	672.23
In Fixed deposits accounts	227.88	416.39
(including interest accrued Rs. NIL (previous year Rs. 13.26 Lacs)	227.00	410.59
(Banks have a lien on Fixed Deposit receipts of Rs. 65.55 Lacs (previous year Rs. 58.55 Lacs)		
TOTAL	287.33	1,112.99
SCHEDULE - 8		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans /Advances to Subsidiary Companies	3,593.40	391.61
Loan to Balaji Employees Foundation	1,000.00	-
Advances recoverable in cash or in kind or for value to be received	378.74	
Advance tax (net)	1,497.35	577.85
Fringe benefits tax (net)	5.57	5.57
Deposits *	1,013.95	964.44
TOTAL	7,489.01	2,301.00



forming part of the Balance Sheet

forming part of the Balance Sheet		(Rupees in Lacs)
	As at	As at
		March 31, 2009
Notes:		
1. * Includes deposits given to directors / relative of directors for property taken on lease from them.	846.60	746.60
2. Maximum amount outstanding at any time during the year for above deposits	846.60	746.60
3. Loan / Advances to subsidiaries (Interest free loans with no repayment schedule)		
- Balaji Telefilms FZE	-	-
Maximum balance outstanding at any time during the year	-	258.06
- Balaji Motion Pictures Limited (where six directors of the Company are directors)	3,593.40	391.61
Maximum balance outstanding at any time during the year	3,699.40	2,551.98
SCHEDULE - 9		
CURRENT LIABILITIES		
Sundry creditors (Refer note 19 of Schedule 15) :		
(i) Total outstanding dues to micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,496.28	2,893.29
(Includes temporarily overdrawn book balances Rs. 50.44 Lacs (previous year Rs. NIL))		·
	1,496.28	2,893.29
Unclaimed Dividend *	11.03	12.84
Other liabilities	681.46	635.95
Advances received from customers	11.13	6.77
TOTAL	2,199.90	3,548.85
*Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due.		
SCHEDULE - 10		
PROVISIONS		
For Taxation (net)	227.52	73.23
For Gratuity	-	3.14
For Proposed dividend	195.63	195.63
For Corporate dividend tax	33.26	33.26
TOTAL	456.41	305.26





forming part of Profit and Loss Account

	For the	For the year		s Year
	2009-2010		2008 -	2009
SCHEDULE - 11				
OTHER INCOME				
OTHER INCOME				
Interest on:				
Fixed deposits with banks (Gross)	51.62		74.53	
(Tax deducted at source Rs. 5.31 Lacs (previous year Rs. 15.51 Lacs)				
Staff loan / Other Loans	4.19		4.30	
Tax Free Bonds	-		8.44	
Income tax refund	_	55.81	21.19	108.46
Insurance Claim Received		68.07		3.04
Dividend on long term investments (non-trade)		251.18		518.03
Surplus on liquidation of subisidiary		-		273.67
Excess provision of doubtful debts written back (net off Rs. 808.36 Lacs		1,119.40		
(previous year Rs. NIL) of bad debts written off and service tax liability on the		.,		
same aggregating to Rs. 88.92 Lacs (previous year Rs. NIL)written back)				
Profit on sale of long term investments (non-trade) (net)		1.258.24		838.18
Provision for diminution in the value of long term investments written back		440.00		050.10
Excess provision for earlier years written back (net)		73.44		359.42
Miscellaneous income		51.02		26.23
TOTAL		3,317.16		2,127.03
CCUEDINE 42		·		·
SCHEDULE - 12				
COST OF PRODUCTION OF TELEVISION SERIALS				
Opening stock of television serials and tapes		90.28		957.4
Add: Cost of production				
Purchase of costumes and dresses	107.67		363.13	
Purchase of tapes	166.10		262.60	
Artists, junior artists, dubbing artists fees	2,125.79		3,976.31	
Directors, technicians and other fees	3,278.77		6,127.36	
Shooting and location expenses	2,212.01		1,692.52	
Telecasting fees	1,135.46		1,055.92	
Uplinking charges / Special dispatch charges	180.37		250.26	
Food and refreshments	221.92		402.11	
Set properties and equipment hire charges	697.78		1,288.08	
Other production expenses	535.93	10,661.80	1,780.96	17,199.25
		10,752.08		18,156.66
		4 t= 42		20.5
Less: Closing stock of television serials / tapes / content		145.41		90.28
TOTAL		10,606.67		18,066.38



forming part of Profit and Loss Account

forming part of Profit and Loss Account		(Rupees in Lacs)
	For the year 2009 - 2010	Previous Year 2008 - 2009
SCHEDULE - 13		
EMPLOYEE COSTS		
Salaries, wages and bonus	1,477.80	1,182.90
Contribution to Provident and Other funds	104.32	59.31
Staff welfare expenses	55.78	78.20
TOTAL	1,637.90	1,320.41
SCHEDULE - 14		
ADMINISTRATIVE AND OTHER EXPENSES		
Electricity and water charges	333.94	480.90
Lease rent	877.48	881.28
Rates and taxes	41.41	73.68
Insurance	99.05	141.66
Repairs and maintenance		
- Building	-	9.73
- Plant and machinery	53.36	37.37
- Others	138.46	286.70
Travelling and conveyance expenses	158.00	179.82
Legal and professional charges	587.78	828.71
Communication charges	78.46	72.69
Loss on sale / discard of fixed assets (net)	72.73	149.93
Software expenses	31.76	-
Provision for diminution in value of long term investments	-	440.00
Donations	35.06	54.19
Bad debts written off	10.63	2.73
Provision for doubtful debts (net)	14.00	1,827.61
Director's sitting fees	2.40	4.05
Advertisement and sales promotion expenses	142.96	36.12
Miscellaneous expenses *	418.82	621.32
TOTAL	3,096.30	6,128.49
* (Includes security charges, house-keeping expenses, printing and stationery etc.)		



forming part of the accounts

SCHEDULE 15

Significant accounting policies and notes on accounts

A. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India, the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006 and relevant provisions of 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 recognised in the year in which the results are known / materialised.

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

Unamortised cost of conten : The cost of content 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

- 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 delivered to the channels.

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



forming part of the accounts

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 Statue / 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 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 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 recognised as expenses in accordance with the respective lease agreements.

Taxes on income

Tax expense comprises of current tax, deferred tax and fringe benefit 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. (Refer note 11 below)

Fringe benefits tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India (ICAI).

Tax on distributed profits payable in accordance with the provisions of the Income-tax Act, 1961 is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the ICAI.

Provisions and Contingencies

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognised nor disclosed.



Consolidated Financial Statements



forming part of the accounts

B. NOTES ON ACCOUNTS

(Rupees in Lacs)

		As at March 31, 2010	As at March 31, 2009
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for	50.00	75.00
2.	The Company has applied to the Office of the Commissioner of Sales-tax, Mumbai, to ascertain whether the Company's sales are liable to tax under the Sales-tax laws. The matter is still pending before the Sales-tax authority.		
3.	Contingent liabilities in respect of claim against the Company not acknowledged as debts. This represents demand raised by a Prasar Bharti Broadcasting Corporation of India. The Company is of the view that the claim is not valid. Legal proceedings have been initiated for quashing the said demand. The amount disclosed is the minimum liability on this count excluding interest thereon which is presently not quantifiable.	495.00	495.00

			(Rupees in Lacs)
		For the year	Previous Year
		2009 - 2010	2008 - 2009
4.	Managerial remuneration under section 198 of the Companies Act,1956 to Directors (including		
	to the Managing Director) (included under the head "Employee Costs" refer Schedule 13)		
	Salary	121.50	121.50
	Perquisites	106.35	106.35
	Commission	-	326.84
	Contribution to Provident Fund	14.58	14.58
	Total	242.43	569.27

Notes:

- a) The above remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.
- b) In view of losses incurred during the year, managerial remuneration is subject to the limits specified in Schedule XIII of the Companies Act, 1956. Accordingly, the remuneration paid to the director (and charged to the profit and loss account) has been restricted to the limit specified in Schedule XIII.
- 5. Computation of net profit in accordance with section 198 read with section 309 of the Companies Act, 1956:

	For the year 2009 - 2010		Previous Year 2008 - 2009	
Profit before tax		2,225.27		3,751.38
Add:				
Managerial remuneration	242.43		569.27	
Provision for diminution in value of Long Term Investments (non-trade)	-		440.00	
Provision for Doubtful Debts (net)	14.00		1,827.61	
Directors sitting fees	2.40	258.83	4.05	2,840.93
		2,484.10		6,592.31
Less:				
Profit on sale of Long Term Investments (non-trade) (net)	1,258.24		838.18	
Provision for diminution in value of Long Term Investments (Written Back)	440.00		-	
Provision for Bad and doubtful debts (net) written back	1,119.40		-	
Surplus on liquidation of subsidiary	-	2,817.64	273.67	1,111.85
Net (Loss) / Profit for the year		(333.54)		5,480.46
Commission @ 2.50% each to the Executive Directors		-		274.00
Commission @ 0.80% to the Chairman		-		43.84
Commission @ 0.20% to other Non-Executive Directors, restricted to Rs. 3 Lacs each		-		9.00



forming part of the accounts

Note:

As per the terms of appointment of the Directors of the Company, they are entitled to receive commission out of profits of the Company. In view of the losses incurred during the year, commission is not payable to them.

6. Payment to auditors

	((Rupees in Lacs)
	For the year 2009 - 2010	Previous Year 2008 - 2009
a) as auditors	15.00	15.00
b) as advisor, or in any other capacity, in respect of		
- taxation matters	-	0.03
c) in any other manner (certification work, etc)	6.30	9.30
d) as expenses	0.58	0.17
Total	21.88	24.50

7. The Company has investments in wholly owned subsidiary Balaji Motion Pictures Limited (BMPL) aggregating to Rs. 3,000 Lacs. Further, the Company has also given interest free loans to BMPL aggregating to Rs. 3,453.09 Lacs. As per the latest audited balance sheet of BMPL for the year ended 31st March, 2010, the accumulated losses have substantially eroded its net worth. However, BMPL expects to release two movies in the next year, the production of which is already completed and is also in advanced stages of discussion with parties for additional movie ventures. Accordingly, no provision for diminution in the value of the investment and loans given is considered necessary at this stage in view of the investment being long term and of strategic importance and the diminution in the value being on account of temporary factors as aforesaid.

8. Related Party Disclosures

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Relative of Key management person
Mr. Ramesh Sippy	Relative of Key management person
Balaji Telefilms FZE	Subsidiary Company (ceased to exist in the previous year)
Balaji Motion Pictures Limited	Subsidiary Company
-	



forming part of the accounts

b) Details of Transactions with related parties during the year

					(Rupe	es in Lacs)		
	Column number (refer note II below)							
Nature of Transactions	1		2	2		3	То	tal
	Current	Previous	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year
Advances given								
Balaji Motion Pictures Limited	3,453.09	1,948.28	-	-	-	_	3,453.09	1,948.28
Turnover	·						•	
Balaji Telefilms FZE	-	48.00	-	-	-	-	-	48.00
Directors' sitting fees								
Mr. Jeetendra Kapoor	-	-	0.75	0.90	-	-	0.75	0.90
Mr. Tusshar Kapoor	-	_	-	_	-	0.60	_	0.60
Rent								
Mr. Jeetendra Kapoor	-	-	23.38	22.46	-	_	23.38	22.46
Mrs. Shobha Kapoor	-	-	494.39	315.78	-	_	494.39	315.78
Mr. Tusshar Kapoor	-	_	-	-	5.39	5.09	5.39	5.09
Ms. Ekta Kapoor	-	_	4.80	_	-	_	4.80	_
Others	_	1.20	_	_	_	_	-	1.20
Rent Received								
Balaji Motion Pictures Limited	1.20	_	_	_	_	_	1.20	_
Advances Recovered/ Adjusted	.,							
Balaji Telefilms FZE	_	258.06		_	_	_	_	258.06
Balaji Motion Pictures Limited	251.30	3,508.71	_	_	_	_	251.30	3,508.71
Remuneration								
Mrs. Shobha Kapoor	-	_	110.12	247.12	_	_	110.12	247.12
Ms. Ekta Kapoor	_	_	132.31	269.31	_	_	132.31	269.31
Mr. Jeetendra Kapoor	_	_	-	43.84	_	_	-	43.84
Dividend paid				10.01				13.01
Mrs. Shobha Kapoor	_	_	30.08	347.73	-	_	30.08	347.73
Ms. Ekta Kapoor	_	_	29.18	340.45	_	_	29.18	340.45
Mr. Jeetendra Kapoor	_	_	13.18	153.72	_	_	13.18	153.72
Mr. Tusshar Kapoor	_	_	-	155.72		71.06	6.09	71.06
Others	_	_	_	_	- 0.05	0.04	- 0.03	0.04
Deposits Given						0.04		0.04
Ms. Ekta Kapoor	_	_	100.00	_	_	_	100.00	
Liquidation of Investment			100.00		_		100.00	
Balaji Telefilms FZE	_	18.87		_	_	_	_	18.87
Surplus on liquidation		10.07			_			10.07
Balaji Telefilms FZE	_	273.67	_	_	_	_	_	273.67
Amount payable as at		2/3.0/						273.07
March 31, 2010								
Mrs. Shobha Kapoor	-	_	_	145.63	_	_	_	145.63
Ms. Ekta Kapoor	-	-	-	147.36	_	_	-	147.36
Mr. Jeetendra Kapoor	-	-	0.51	43.84	_	_	0.51	43.84
Mr. Tusshar Kapoor	-		- 0.51	43.04	0.19		0.19	45.04
Amount receivable as at					0.15		0.15	
March 31, 2010								
Mrs. Shobha Kapoor *	-	-	340.00	340.00	-	-	340.00	340.00
Mr. Jeetendra Kapoor *	-	-	306.00	306.60	-	-	306.00	306.60
Mr. Tusshar Kapoor *	-	-	-	-	100.00	100.00	100.00	100.00
Ms. Ekta Kapoor *	-	-	100.00	-	-	-	100.00	
Balaji Motion Pictures Limited	3593.40	391.61	-	-	-	-	3593.40	391.61

^{*} Deposits for lease property



forming part of the accounts

Notes:

- 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. Column number represents,
 - 1. Subsidiary companies
 - 2. Key management personnel
 - 3. Relative of key management personnel

9. 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:

- (a) Commissioned Programmes: Income from sale of television serials to channels
- (b) Sponsored Programmes: Income from telecasting of television serials on channel

		Commissioned Sponsor Programmes Program				tal	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
REVENUE							
From External Customers	12,838.16	26,844.18	2,444.25	2,647.71	15,282.41	29,491.89	
Add: Inter Segment sale	-	-	-	-	-	-	
Total Revenue	12,838.16	26,844.18	2,444.25	2,647.71	15,282.41	29,491.89	
RESULTS							
Segment result	4,676.94	6,682.81	458.44	952.92	5,135.38	7,635.73	
Unallocable Corporate (expenses)/ income (net)	-	-	-	-	(4,475.32)	(5,622.69)	
Operating Profit			-		(2,404.31)	2,013.04	
Interest income/Dividend on Long-Term Investments	-	-	-	-	306.98	626.49	
Surplus on liquidation of subsidiary	-	-	-	-	-	273.67	
Profit on sale of Long-Term Investments (non-trade)	-	-	-	-	1,258.24	838.18	
Tax expense	-	-	-	-	(693.09)	(1,084.47)	
Profit after tax	-	-	-	-	1,532.18	2,666.91	
OTHER INFORMATION:							
Segment assets	12,273.02	12,307.82	844.00	969.68	13,117.02	13,277.50	
Unallocated Corporate assets	-	-	-	-	29,808.57	29,464.53	
Total assets	-	-	-	-	42,925.59	42,742.03	
Segment liabilities	1,152.37	2,870.95	100.50	181.24	1,252.87	3,052.19	
Unallocated Corporate liabilities	-	-	-	-	1,403.44	801.92	
Total Liabilities	-	-	-	-	2,656.31	3,854.11	
Capital expenditure	232.32	5,289.52	1.13	-	233.45	5,289.52	
Depreciation / Amortisation	727.81	2,180.43	3.45	-	731.25	2,180.43	
Significant Non cash expenses other							
than depreciation / amortisation							
Loss on sale / discard of fixed assets (net)	10.30	142.20	-	-	10.30	142.20	
Provision for doubful debts	-	1,827.61	14.00	-	14.00	1,827.61	
Bad debts written off	808.36	-	-	2.73	808.36	2.73	



forming part of the accounts

- (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

(Rupees in Lacs)

	Exp	Export		Local		tal
	Current	Current Previous Current		Previous	Current	Previous
	Year	Year	Year	Year	Year	Year
A) Revenue (Turnover)	3,663.72	17,462.17	11,618.69	12,029.72	15,282.41	29,491.89
B) Carrying amount of assets	466.46	2,044.54	21,480.46	13,612.70	21,946.92	15,657.24
C) Addition to fixed assets	-	-	390.78	5,498.46	390.78	5,498.46

10. Earnings per share:

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

	For the year 2009 - 2010	Previous Year 2008 - 2009
(a) Profit for the year attributable to equity share holders (Rs. in Lacs)	1,519.09	2,632.12
(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 (Rs.)	2.33	4.04
(d) Nominal value of shares (Rs.)	2	2

11. Components of Deferred Tax Assets / (Liabilities)

(Rupees in Lacs)

		(rtapees iii Laes)
	As at March 31, 2010	As at March 31, 2009
Difference between the written down values of fixed assets as per books and income tax	(95.92)	(246.58)
Provision for diminution in value of Long Term Investments (non-trade)	(33.32)	49.85
Provision for doubtful debts	4.76	625.02
Disallowances under the Income Tax Act, 1961	-	1.16
Deferred tax (liability) / asset (net) Total	(91.16)	429.45
-		

12. Lease Transactions:

a) The Company has taken certain premises on non-cancellable operating lease basis. The tenure of leases ranges from 11 to 60 months. Future lease rentals in respect of fixed assets taken on non-cancellable operating lease basis are as follows:

(Rupees in Lacs)

	,	(Itupees III Lacs)
	As at March 31, 2010	As at March 31, 2009
1) Amount due within 1 year	495.89	277.93
2) Amount due later than 1 year and not later than 5 years	222.39	85.05
3) Amount due later than 5 years	-	-
	718.28	362.98

- b) The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 36 months
- c) Amount of lease rentals charged to the Profit and Loss account in respect of operating leases is Rs. 875.18 Lacs (previous year Rs. 881.28 Lacs)



forming part of the accounts

13. Employee Benefits

- a) Defined Contribution Plans Both the employees and the Company make predetermined contributions to the provident fund. Amount recognised as expense amounts to Rs. 75.48 Lacs (previous year Rs. 50.94 Lacs)
- b) Defined Benefit Plans
 - Reconciliation of liability recognised in the Balance Sheet

	(Rı	upees in Lacs)
	For the year	Previous Year
	2009 - 2010	2008 - 2009
Fair Value of plan assets as at the end of the year	24.89	17.57
Present Value of Obligation as at the end of the year	16.31	13.33
Net (assets) in the Balance Sheet	(8.59)	(4.24)

Movement in net liability recognised in the Balance Sheet

(Rupees in Lacs)

	-	Previous Year 2008 - 2009
Net (assets) as at the beginning of the year	(4.24)	(0.74)
Net expense recognised in the Profit and Loss account	15.90	4.54
Contribution during the year	(20.25)	(8.04)
Net (assets) as at the end of the year	(8.59)	(4.24)

III Expense Recognised in the Profit and Loss account (Under the head "Employee Costs" refer Schedule 13)

(Rupees in Lacs)

	_	Previous Year 2008 - 2009
Current Service Cost	9.38	5.24
Interest Cost	1.23	1.30
Expected Return on Plan assets	(2.47)	(0.94)
Actuarial (gains)/losses	7.76	(1.06)
Expense charged to Profit and Loss Account	15.90	4.54

IV Return on Plan Assets

	For the year 2009 - 2010	Previous Year 2008 - 2009
Expected return on plan assets	2.47	(0.94)
Actuarial (gains) / losses	(1.59)	0.04
Actual return on plan assets	0.88	(0.90)



forming part of the accounts

V Reconciliation of defined benefits commitments

	(Ri	upees in Lacs)
	For the year	Previous Year
	2009 - 2010	2008 - 2009
Commitments at beginning of the year	13.33	14.22
Current Service Cost	9.39	5.24
Interest Cost	1.23	1.30
Actuarial losses / (gains)	6.17	(1.10)
Benefits paid	(13.82)	(6.33)
Settlement cost	-	-
Commitments at year end	16.31	13.33

VI Reconciliation of plan assets

	(Rı	upees in Lacs)
	For the year	Previous Year
	2009 - 2010	2008 - 2009
Fair Value of plan assets at beginning of the year	17.57	14.96
Expected return on plan assets	2.47	0.94
Actuarial gains / (losses)	(1.59)	(0.04)
Employer contribution	20.25	8.04
Benefits paid	(13.82)	(6.33)
Fair Value of plan assets at year end	24.89	17.57

VII Actuarial Assumptions

		Previous Year 2008 - 2009
Mortality Table (LIC)	1994 - 96	1994 - 96
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	8.25%	7.75%
Expected Rate of return on Plan assets (per annum)	8.00%	8.00%
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 fund balance with LIC as at March 31, 2010 and March 31, 2009 is not available with the Company.

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

		(Rupees in Lacs)
	For the year 2009 - 2010	Previous Year 2008 - 2009
a Expenditure in foreign currency		
Travelling expenses	8.57	23.83
Others	7.63	-
b Earnings in foreign exchange:		
Export of television software/ serials	3,663.72	17,462.17
Surplus on liquidation of subsidiary	-	273.67



forming part of the accounts

c Amount remitted during the financial year on account of dividends:

	For the year 2009 - 2010	Previous Year 2008 - 2009
Amount of Dividend (Rupees in Lacs)		
Year to which dividend relates		
Final dividend for the financial year 2008 - 2009	195.63	2,282.37
Number of non-resident shareholders		
Year to which dividend relates		
Final dividend for the financial year 2008 - 2009	505	353
Number of equity shares held by them on which dividend was due		
Year to which dividend relates		
Final dividend for the financial year 2008 - 2009	399,864	187,023
Amount remitted (net of tax) to banks or power holders in India of the non-resident shareholders (Rupees in Lacs)		
Year to which dividend relates		
Final dividend for the financial year 2008 - 2009	1.20	6.55

- 15. 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. Accordingly, disclosure as required by the said Act is made on that basis.
- 16. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedule 1 to 15

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Place : Mumbai

Date: April 28, 2010

For Snehal & Associates **Chartered Accountants**

Snehal Shah (Proprietor)

Place : Mumbai Date: April 28, 2010 Jeetendra Kapoor

Akshay Chudasama

(Chairman)

(Director)

Alpa Khandor

Shobha Kapoor (Managing Director)

(Joint Managing Director)

Ekta Kapoor

Srinivasa Shenoy (Chief Financial Officer)

Puneet Kinra

(Group CEO)

Place : Mumbai Date: April 28, 2010

(Company Secretary)

Schedules **Balance Sheet Abstract**



BALANCE SHEET ABSTRACT

Information pursuant to the provisions of Part IV of the Schedule VI to the Companies Act, 1956

ı.	Registration Detai	ls									
	Registration No.	11-8280	02			St	ate Co	de		1	1
	Balance Sheet Date	3 1 Date	Month	2 0 1 Year	0						
II.	Capital raised duri	ing the year (Am	ount in Rs. 1	Thousand)							
	Public Issue				Rights Is	sue					
		N I L							N	I	L
III.	Position of Mobilis	sation and Deploy	yment of Fu	nds (Amou	ınt in Rs	. Tho	usand	l)			
	Total Liabilities				Total Ass	ets					
	4 0 2	6 9 2 8				4 () 2	6	9	2	8
	Sources of Funds									!	
	Paid-Up Capital				Reserve	and Su	ırplus				
	1 3	0 4 2 1				3 8	8 8	7	3	9	1
	Secured Loans				Unsecur	ed Loa	ns				
		N I L									
				!							
	Application of Funds										
	Net Fixed Assets				Investme	ents					
	8 4	2 1 0 4				2 (9	7	8	6	6
	Net Current Assets			ı	Misc. Ex	pendit	ure				
	1 0 8	6 9 5 8							N	I	L
	Accumulated Losses			ı	Deferred	Tax Li	ability				
		N I L						9	1	1	6
	Deferred Tax Asset			ı							
		N I L									
	D		in De Theor	1							
IV.	Performance of Co	mpany (Amount	in KS. Inous		Takal Form						
	Turnover	0 0 5 7			Total Exp			7	4	2	
	Profit / Loss before Ta	9 9 5 7			Profit / Lo	1 6		7	4	3	0
					PIOIIL / Li				9	0	0
	2 2	2 5 2 7				-	L 5	1	9	0	9
	Earning Per Share in	De			Dividend	l Data	0/				
	Earning Per Share in				Dividend	Rate	70			1	5
		2 . 3 3								1	3
	REFER NOTE 10 OF S	SCHEDULE 15									
V.	Generic Names of	Three Principal F	Products/Sei	rvices of C	ompanv	(as ɒ	er mo	net	ary 1	tern	าร)
	Items Code No. (ITC	_		escription	. ,				-		-
	N.A.			evision Seria	als						

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CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

BALAJI TELEFILMS LIMITED

- 1. We have audited the attached Consolidated Balance Sheet of Balaji Telefilms Limited ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
- 4. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells Chartered Accountants Reg. No 117366W For Snehal & Associates Chartered Accountants Reg. No. 110314W

A.B. Jani Partner Membership Number: 46488

Snehal Shah Proprietor Membership Number: 40016

Mumbai,

Mumbai, Dated: April 28, 2010

Dated: April 28, 2010



CONSOLIDATED BALANCE SHEET

as at March 31, 2010

(Rupees in Lacs)

				(Rupees in Lacs)		
	Schedule No.	As at March 31, 2010		As a March 31		
I. SOURCES OF FUNDS						
1 Shareholders' funds						
A. Share capital	1	1,304.21		1,304.21		
B. Reserves and surplus	2	36,202.67		35,802.37		
			37,506.88		37,106.58	
2 Deferred tax liability (net)			91.16		-	
TOTAL			37,598.04		37,106.58	
II. APPLICATION OF FUNDS						
1 Fixed assets	3					
Gross block		14,904.28		9,834.65		
Less : depreciation		6,756.27		5,771.44		
Net block		8,148.01		4,063.21		
Capital work-in-progress		289.93		5,138.99		
			8,437.94		9,202.20	
2 Investments	4		17,978.66		21,567.32	
3 Deferred tax asset (net)			-		429.45	
4 Current assets, loans and advances						
A. Inventories	5	2,467.48		922.56		
B. Sundry debtors	6	5,993.25		5,072.36		
C. Cash and bank balances	7	405.10		1,184.91		
D. Loans and advances	8	5,213.13		3,029.75		
		14,078.96		10,209.58		
Less : Current liabilities and provisions						
A. Current liabilities	9	2,440.13		3,996.19		
B. Provisions	10	457.39		305.78		
		2,897.52		4,301.97		
Net current assets			11,181.44		5,907.61	
TOTAL			37,598.04		37,106.58	
Significant accounting policies and notes on accounts	15					

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Jeetendra Kapoor (Chairman)

Shobha Kapoor (Managing Director)

Ekta Kapoor (Joint Managing Director)

Place : Mumbai Date : April 28, 2010

For Snehal & Associates Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Snehal Shah (Proprietor)

Alpa Khandor (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Place : Mumbai Date : April 28, 2010 Date : April 28, 2010

consolidated financial statements

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2010

, ,		(Rupees in Lacs)
	Schedule No.	For the year 2009 - 2010	Previous Year 2008 - 2009
	140.	2009 - 2010	2006 - 2009
INCOME			
Turnover (Refer Note 9 of Schedule 15)		15,920.99	33,747.95
Other income	11	3,317.04	1,893.42
TOTAL		40.220.02	25.644.27
TOTAL		19,238.03	35,641.37
EXPENDITURE			
Cost of production	12	11,252.94	23,041.36
Employee costs	13	1,888.32	1,440.82
Administrative and other expenses	14	3,724.42	7,635.39
Depreciation / Amortisation		1,036.96	2,355.09
TOTAL		17,902.64	34,472.66
DROFIT DEFORE TAY		1 225 20	1 160 71
PROFIT BEFORE TAX		1,335.39	1,168.71
Provision for tax			
Current tax		(168.17)	(1,855.00)
(Short) provisions for tax in respect of earlier years		(13.09)	(34.79)
Wealth Tax		(4.31)	(4.80)
Deferred tax		(520.62)	860.39
Fringe Benefits Tax		-	(87.00)
PROFIT AFTER TAX		629.20	47.51
Balance brought forward from previous year		16,509.21	16,957.28
		. 0,000.2	. 0,007.120
AMOUNT AVAILABLE FOR APPROPRIATION		17,138.41	17,004.79
Appropriation			
Transferred to general reserve		153.22	266.69
Proposed dividend		195.63	195.63
Corporate dividend tax		33.26	33.26
·			
BALANCE CARRIED TO BALANCE SHEET		16,756.30	16,509.21
Basic and diluted earnings per share		0.96	0.07
(Refer note B7 of Schedule 15)			
Significant accounting policies and notes on accounts	15		

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Jeetendra Kapoor (Chairman)

Shobha Kapoor (Managing Director)

Ekta Kapoor (Joint Managing Director)

Place : Mumbai Date : April 28, 2010

For Snehal & Associates

Chartered Accountants

Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Snehal Shah (Proprietor)

Alpa Khandor (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Date : April 28, 2010

Place : Mumbai Date : April 28, 2010



CONSOLIDATED CASH FLOW STATEMENT

		For the	e year	Previou	s Year
		2009 -	2010	2008 -	2009
4	Cash flow from operating activities				
	Profit before extra-ordinary item and tax	1,335.39		1,168.71	
	Adjustments for:				
	Depreciation / amortisation	1,036.96		2,355.09	
	Bad debts written off	10.63		2.73	
	Advances written off	-		133.11	
	Provision for doubtful debts and advances (net)	114.00		2,579.61	
	Loss on sale / discard of fixed assets (net)	72.73		149.93	
	Surplus on liquidation of subsidiary	-		(20.12)	
	Provision for diminution in value of long term investments (non trade)	-		440.00	
	Profit on sale of long term investments (non trade) (net)	(1,258.24)		(838.18)	
	Provision for doubtful debts written back (net)	(1,119.40)		-	
	Excess provision of earlier years written -back (net)	(73.44)		(359.42)	
	Provision for diminution in long term investments (non-trade) written back	(440.00)		-	
	Interest	(52.70)		-	
	Dividend income	(251.18)		(642.13)	
	Operating profit before working capital changes	(625.25)		4,969.33	
	(Increase) / Decrease in trade and other receivable	(259.47)		4,634.01	
	(Increase) / Decrease in inventories	(1,544.92)		922.03	
	(Decrease) / Increase in trade payables	(1,396.21)		(403.69)	
			(3,825.85)		10,121.6
	Direct taxes paid and fringe benefit tax paid (net)		(970.44)		(3,058.12
	Net cash from operating activities (a)		(4,796.29)		7,063.5
3	Cash flow from investing activities				
	Purchase of fixed assets	(393.16)		(5,507.52)	
	Sale of fixed assets	47.75		2.64	
	Purchase of investments	(16,882.32)		(8,271.36)	
	Sale of investments	22,169.22		9,072.69	
	Surplus on liquidation of subsidiary	-		20.12	
	Investments in Trust	(1,000.00)		-	
	Interest	65.96		-	
	Dividend income received	251.18		631.38	
	Net cash (used in) investing activities (b)		4,258.63		(4,052.05
2	Cash flow from financing activities				
	Dividend paid	(195.63)		(2,282.48)	
	Corporate dividend tax paid	(33.26)		(387.89)	
	Net cash (used in) financing activities (c)		(228.89)		(2,670.37
	Net (decrease) / increase in Cash and Cash equivalents (a+b+c)		(766 EF)		341.1
	iver (uecrease) / increase in Cash dhu Cash equivalents (a+D+C)		(766.55)		341.1



CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2010 (contd.)

(Rupees in Lacs)

		For the year 2009 - 2010		Previous Year 2008 - 2009	
Cash and Cash equivalent as at beginning of the year			1,171.65		830.51
Cash and Cash equivalents as at end of the year			405.10		1,171.65
Note:					
Components of Cash and Cash equivalent include cash balances (refer Schedule 7)	sh and bank				
2. Reconciliation of Cash and Cash Equivalents:					
As per Balance Sheet - Schedule 7			405.10		1,184.91
Less: Interest accrued on bank deposits			-		13.26
As per Cash Flow Statement			405.10		1,171.65
3. Cash and Cash equivalents includes Fixed Deposits Lacs (previous year Rs. 58.55 Lacs) on which the Bank					
4. Purchase of fixed assets (including movements in ca progress) is treated as a part of investing activities	pital work in				
5. Cash and Cash equivalents include balances in unpaccounts aggregating to Rs. 10.24 Lacs (previous year Rs					

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Place : Mumbai Date : April 28, 2010 Jeetendra Kapoor (Chairman)

Shobha Kapoor (Managing Director)

Ekta Kapoor (Joint Managing Director)

For Snehal & Associates Chartered Accountants Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Snehal Shah (Proprietor)

Alpa Khandor (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Place : Mumbai Date : April 28, 2010 Date : April 28, 2010



forming part of the Consolidated Balance Sheet

forming part of the Consolidated Balance Sneet		(Rupees in Lacs)
	As at	As at
	March 31, 2010	March 31, 2009
SCHEDULE - 1		
SHARE CAPITAL		
SHAKE CALLIAL		
Authorised		
75,000,000 equity shares of Rs. 2/- each	1,500.00	1,500.00
Issued, Subscribed and Paid-Up		
65,210,443 equity shares of Rs. 2/- each	1,304.21	1,304.21
Note:		
6,500,000 equity shares of the original value of Rs. 10/- each were allotted as fully		
paid up bonus shares by capitalisation of surplus in Profit and Loss account.		
TOTAL	1,304.21	1,304.21
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share premium account		
As per last Balance sheet	14,785.61	14,785.61
General reserve		
As per last Balance sheet	4,507.55	4,240.86
Add: Transfered from Profit and Loss account	153.22	266.69
	4,660.77	4,507.55
Surplus in Profit and Loss account	16,756.30	16,509.21
TOTAL	36,202.67	35,802.37



FIXED ASSETS

SCHEDULE 3

forming part of the Consolidated Balance Sheet

									(Rube	(Rupees in Lacs)
		GROSS BLOCK	3LOCK		DEF	RECIATIO	DEPRECIATION / AMORTISATION	ATION	NET BLOCK	OCK
PARTICULARS	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto March 31, 2009	For the year	On Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Land	1	4,795.30	1	4,795.30	1	1	ı	1	4,795.30	1
Buildings	469.36	1	1	469.36	34.84	7.65	1	42.49	426.87	434.52
Plant and machinery - Computers	527.99	92.92	-	620.91	179.70	90.28	1	269.98	350.93	348.29
Plant and machinery - Others	1,977.90	1	1	1,977.90	772.17	139.94	1	912.11	1,065.79	1,205.73
Computers	285.45	90.96	1	381.51	215.83	57.55	1	273.38	108.13	69.62
Studios and sets	5,063.38	139.40	-	5,202.78	4,167.35	587.87	1	4,755.22	447.56	896.03
Vehicles	743.31	94.19	172.59	664.91	229.49	59.66	52.13	237.02	427.89	513.82
Furniture and fixtures	268.54	5.01	1	273.55	82.28	17.97	1	100.25	173.30	186.26
Office equipments	268.92	9.19	1	278.11	47.43	8.81	1	56.24	221.87	221.49
Electrical fittings	41.37	10.15	-	51.52	7.68	4.42	1	12.10	39.42	33.69
Lease Hold Improvements	188.43	1	1	188.43	34.67	62.81	1	97.48	90.95	153.76
Total	9,834.65	5,242.22	172.59	14,904.28	5,771.44	1,036.96	52.13	6,756.27	8,148.01	4,063.21
Previous Year	9,479.22	2,140.73	1,785.30	9,834.65	5,049.08	2,355.09	1,632.73	5,771.44		
Capital work in progress (Including capital advances)	dyapopo)								289 93	7 138 00
ממונים אינים								Total	8,437.94	9,202.20

Notes:

- 1. Building includes Rs. 220.86 Lacs (previous year Rs. 220.86 Lacs), being cost of ownership premises in co-operative society including cost of shares of face value of Rs. 0.01 lac received under Bye-law of the society.
- Corporation for the purpose of building its studios. The Company has been made a party in the dispute between the original owner of the land and a buyer, who claims to have purchased the same land at an earlier date. The matter is sub judice at the High Court of Mumbai and the Company is pursuing all legal remedies available in this 2. The Company has invested an amount of Rs. 3,075.77 Lacs, in land approximately admeasuring 24,980 sq. mtrs. situated within the limits of Mira Bhayander Municipal matter. Subsequent to the year end, the buyer has filed a Special Leave Petition before the Hon'ble Supreme Court on 9th April, 2010. The buyer withdrew their Special Leave for Petition unconditionally.
- 3. Capital work-in-progress includes Rs. 271 Lacs (previous year Rs. 271 Lacs) paid to a party for purchase of premises in Santacruz Electronic Export Proceessing Zone. The Company is in the process of obtaining the necessary regulatory permissions required for transferring the same in its name.



forming part of the Consolidated Balance Sheet

		Numbers			Rupees in Lacs) Value	
	Гоос	Num	bers	Val	ue	
	Face Value (in Rupees)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009	
SCHEDULE - 4						
INVESTMENTS						
Long Term Investments (Non-Trade)						
In Units of Mutual Funds						
AIG FMP I Series I - Institutional - Growth	1,000.00	-	15,000	-	150.00	
Birla FTP - Series - AD - Growth	10.00	-	2,000,000	-	200.00	
Birla FTP - Series - AE - Growth	10.00	-	2,000,000	-	200.00	
Birla FTP - Series - AJ - Growth	10.00	-	2,000,000	-	200.00	
Birla FTP - Series - AL - Growth	10.00	-	1,500,000	-	150.00	
Birla Income Plus - Growth	10.00	-	423,668	-	150.00	
Birla Sun Life Fixed Term Plan Series BG - 370 Days - Growth	10.00	-	2,000,000	-	200.00	
Birla Sun Life Fixed Term Plan Series BI - 370 Days - Growth	10.00	_	2,000,000	-	200.00	
Birla Sun Life Fixed Term Plan Series BK	10.00	5,000,000	5,000,000	500.00	500.00	
Birla Sun Life FloatIng Rate Fund Long Term - Institutional -	10.00	3,353,392	-	336.64		
Weekly Dividend Reinvestment		, ,				
Birla Sun Life Short Term Fund - Institutional Growth	10.00	-	1,965,602	-	200.00	
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	10.00	1,825,505		204.44		
Birla Sunlife Special Situtation Fund - Growth	10.00	-	977,995	-	100.00	
Canara Robeco Fixed Maturity Plan - Series 4 (19 Months Plan)	10.00	2,000,000	2,000,000	200.00	200.00	
DSP Blackrock FMP - Institutional - 18 Months - Series 1 - Growth	10.00	-	2,000,000	-	200.00	
DSP Blackrock FMP - Institutional - 15 Months - Series 2 - Growth	10.00	-	1,500,000	-	150.00	
DSP Blackrock FMP13M Series 2 Growth	10.00	5,000,000	-	500.00	_	
DWSFixed Term Fund - Series 51 - Regular Growth	10.00	-	1,000,000	-	100.00	
DWSFixed Term Fund - Series 52 - Institutional Growth	10.00	-	1,000,000	-	100.00	
DWSFixed Term Fund - Series 55 - Institutional Growth	10.00	-	1,000,000	-	100.00	
DWSFixed Term Fund - Series 62 - Institutional Growth	10.00	10,000,000	10,000,000	1,000.00	1,000.00	
DWSMoney Plus Fund Institutional Plan Weekly Dividend	10.00	1,654,422		167.79		
Fidelity Fixed Maturity Plan - Series 1 - Plan A - Institutional Growth	10.00	-	1,500,000	-	150.00	
Fidelity Fixed Maturity Plan - Series 1 - Plan B - Institutional Growth	10.00	-	1,500,000	-	150.00	
Fidelity Fixed Maturity Plan - Series 1 - Plan C - Institutional Growth	10.00	-	1,000,000	-	100.00	
Fortis FTP - Series 10 - Plan B - Institutional Growth	10.00	-	1,000,000	-	100.00	
Fortis FTP - Series 13 Plan B	10.00	-	1,000,000	-	100.00	
Fortis FTP - Series 14A	10.00	-	2,000,000	-	200.00	
Fortis FTP - Series 14C	10.00	5,000,000	5,000,000	500.00	500.00	
Fortis Money Plus Ip Fund - Growth	10.00	3,776,150	-	500.00	_	
HDFC Equity Fund - Dividend	10.00	-	507,692	-	200.00	
HDFC FMP 13M March 2010 Growth - Series XII	10.00	5,000,000	-	500.00		
HDFC FMP 13M October 2009 - Growth - Series XI	10.00	5,000,000	_	500.00		
HDFC FMP 18M November 2007 - Wholesale Plan Growth	10.00	-	2,000,000	-	200.00	
HDFC FMP 20M August 2008 (ix) - Wholesale Plan Growth	10.00	2,000,000	2,000,000	200.00	200.00	
HDFC FMP 20M Sep 2009 - Growth - Series Xi	10.00	5,103,428		510.34		
HDFC FMP 370D July 2008 (viii) (1) - Wholesale Plan Growth	10.00	-	2,000,000	-	200.00	
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	3,916,459	-	415.34	-	



forming part of the Consolidated Balance Sheet

(Rupees in								
		Num	bers	Value				
	Face	As at	As at	As at	As at			
SCHEDULE - 4 (Contd.)	Value	March 31,	March 31,	March 31,	March 31,			
, ,	(in Rupees)	2010	2009	2010	2009			
	' '							
HDFC High Interest Fund - Short Term Plan - Dividend, Option: Reinvestment	10.00	3,918,985	-	414.10	-			
HDFC Monthly Income Plan Short Term Fund - Quarterly Dividend	10.00	-	2,539,860	-	260.30			
HSBC Fixed Term Series 52 - Institutional - Growth	10.00	_	2,000,000	-	200.00			
HSBC Fixed Term Series 63 - Institutional - Growth	10.00	-	2,000,000	-	200.00			
ICICI Prudential Equity & Derivatives Fund - Income Optimiser - Retail Dividend	10.00	-	1,145,899	-	115.16			
ICICI Prudential FMP Series 41 - 19 Months Plan - Retail Cumulative	10.00	-	2,500,000	-	250.00			
ICICI Prudential FMP Series 42 - 16 Months Plan - Institutional Growth	10.00	-	2,000,000	-	200.00			
ICICI Prudential Institutional Income Plan - Growth	10.00	-	330,424	-	100.00			
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	10.00	97,110	-	102.39	-			
ICICI Prudential Flexible Income Plan - Weekly Dividend	100.00	240,361	482,795	253.42	53.08			
ICICI Prudential FMP Series 49 - 1 Year Plan B Institutional Growth	10.00	4,002,921	-	400.29	-			
IDFC FMP - Thirteen Months Series 1 - Plan B - Growth	10.00	5,000,000	5,000,000	500.00	500.00			
ING Vyasa Fixed Maturity Fund - 47 Institutional Growth	10.00	-	2,000,000	-	200.00			
ING Vyasa Yearly FMP 366 - A Institutional Growth	10.00	-	1,500,000	-	150.00			
ING Vysya Fixed Maturity Fund Series - 38 Institutional Growth	10.00	-	1,000,000	-	100.00			
JM Agri & Infra Fund - Growth Plan	10.00	-	1,500,000	-	150.00			
JM Arbitrage Advantage Fund - Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00			
JM Contra Fund - Growth Plan	10.00	-	977,995	-	100.00			
JM Fixed Maturity Fund - Series VII - 15 Months Plan - Institutional Growth Plan	10.00	-	1,000,000	-	100.00			
JM Fixed Maturity Fund - Series VII - 18 Months Plan - Institutional Growth Plan	10.00	-	2,500,000	-	250.00			
JP Morgan India Smaller Companies Fund - Growth Plan	10.00	-	977,995	-	100.00			
Kotak Bond (Regular) - Quarterly Dividend	10.00	-	1,733,197	-	202.78			
Kotak Bond (Short Term) - Monthly Dividend	10.00	-	9,107,473	-	915.79			
Kotak Floater Long Term - Daily Dividend Reinvestment	10.00	-	2,019,660	-	203.58			
Kotak Floater Long Term - Growth	10.00	411,056	-	57.49	_			
Kotak Floater Long Term - Weekly Dividend	10.00	11,647,770	-	1,174.41	_			
Kotak FMP 12M Series 3 - Institutional - Growth	10.00	-	2,000,000	-	200.00			
Kotak FMP 12M Series 7 - Institutional - Growth	10.00	-	1,500,000	-	150.00			
Kotak FMP 12M Series 8 - Institutional - Growth	10.00	-	1,000,000	-	100.00			
Kotak FMP 12M Series 9 - Institutional - Growth	10.00	-	1,000,000	-	100.00			
Kotak FMP 13M Series 4 - Institutional - Growth	10.00	-	2,000,000	-	200.00			
Kotak FMP 13M Series 6 - Growth	10.00	3,081,120	-	308.11				
Kotak FMP 14M Series 3 - Institutional - Growth	10.00	-	2,000,000	-	200.00			
Kotak FMP 16M Series 2 - Institutional - Growth	10.00	-	2,000,000	-	200.00			
Kotak FMP 17M Series 1 - Institutional - Growth	10.00	-	1,500,000	-	150.00			
Kotak FMP 19M Series 1 - Institutional - Growth	10.00	2,000,000	2,000,000	200.00	200.00			
Kotak Wealth Builder Series 1 - Growth	10.00	-	1,000,000	-	100.00			



forming part of the Consolidated Balance Sheet

					ees in Lacs)	
	_	Num	bers	Value		
	Face	As at	As at	As at	As at	
SCHEDULE - 4 (Contd.)	Value (in	March 31,	March 31,	March 31,	March 31,	
	Rupees)	2010	2009	2010	2009	
L&T Fixed Maturity Plan Series 12 plan 15M March 10 I Growth	10.00	5,000,000	-	500.00	-	
LIC MF FMP Series 34 - 16 Months Growth Plan	10.00	-	2,000,000	-	200.00	
LIC MF FMP Series 42 - 13 Months Growth Plan	10.00	-	1,500,000	-	150.00	
Principal Mip Plus - Monthly Dividend Reinvestment	10.00	-	3,967,683	-	476.26	
Principal PNB Fixed Maturity Plan (FMP 40) 385 Days Series VII	10.00	-	1,000,000	-	100.00	
Reliance Annual Interval Fund - Series I - Institutional Growth Plan	10.00	-	1,807,142	-	200.00	
Reliance Equity Opportunities Fund - Dividend Plan	10.00	-	653,357	-	122.56	
Reliance Fixed Horizon Fund IV - Annual Plan - Series 5 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00	
Reliance Fixed Horizon Fund IV - Annual Plan - Series 7 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00	
Reliance Fixed Horizon Fund IV - Series 6 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00	
Reliance Fixed Horizon Fund IX - Series 6 - Institutional Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00	
Reliance Fixed Horizon Fund VII - Series 5 - Institutional Growth Plan	10.00	-	2,000,000	-	200.00	
Reliance Fixed Horizon Fund VII - Series 1 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00	
Reliance Fixed Horizon Fund VIII - Series 3 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00	
Reliance Fixed Horizon Fund VIII - Series 6 - Institutional Growth Plan	10.00	-	1,000,000	-	100.00	
Reliance Fixed Horizon Fund X - Series 2 - Institutional Growth Plan	10.00	-	1,500,000	-	150.00	
Reliance Fixed Horizon Fund X - Series 8 - Super Institutional Growth Plan	10.00	-	2,000,000	-	200.00	
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional Growth Plan	10.00	10,000,000	10,000,000	1,000.00	1,000.00	
Reliance Interval Fund Quarterly Plan - Series I - Institutional Dividend Plan	10.00	-	3,493,127	-	349.34	
Reliance Monthly Interval Fund Series II Retail Dividend Plan	10.00	1,999,280	-	200.00	_	
Reliance Natural Resources Fund - Growth Plan - Growth Option	10.00	-	977,995	-	100.00	
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10.00	4,148,379	-	500.00	-	
Reliance Short Term Fund - Retail Plan - Dividend Plan	10.00	3,864,912	-	413.99	-	
Religare Fixed Maturity Plan Series II Plan A (13 months)	10.00	5,000,000	-	500.00	-	
Religare Fixed Maturity Plan Series II Plan B (15 months)	10.00	5,000,000	-	500.00	-	
Religare FMP - 14 Months - Series III - Institutional Growth	10.00	-	2,000,000	-	200.00	
Religare FMP - 15 Months - Series II - Institutional Growth	10.00	-	2,000,000	-	200.00	
Religare FMP - 375 Days - Series XVII - Institutional Growth	10.00	-	1,000,000	-	100.00	
Religare FMP - Series I - Plan A (375 Days) - Institutional Growth	10.00	5,000,000	5,000,000	500.00	500.00	
SBI Debt Fund Series - 18 Months - 3 - Institutional Growth	10.00	-	1,000,000	-	100.00	
SBI Debt Fund Series - 370 Days - 2 - Institutional Growth	10.00	-	1,000,000	-	100.00	
Sundaram BNP Paribas Fixed Term 367 Days Series 8 Super Institutional Growth	10.00	10,000,000	10,000,000	1,000.00	1,000.00	
Sundaram BNP Paribas Fixed Term Plan 16 Institutional Growth	10.00	-	2,000,000	-	200.00	
Sundaram BNP Paribas Fixed Term Plan H Institutional Growth	10.00	-	1,000,000	-	100.00	
Sundaram BNP Paribas Fixed Term Plan I Institutional Growth	10.00	-	1,000,000	-	100.00	
Sundaram BNP Paribas Fixed Term Plan K Institutional Growth	10.00	-	1,000,000	-	100.00	
Sundaram BNP Paribas Fixed Term Plan L Institutional Growth	10.00	2,000,000	2,000,000	200.00	200.00	
Sundaram BNP Paribas FTP 367 Days Series P - Growth	10.00	4,000,000	-	400.00		
Tata Fixed Investment Plan - 1 Scheme A - Institutional Plan - Growth	10.00	-	2,000,000	-	200.00	
Tata Fixed Maturity Plan Series 25 Scheme B	10.00	4,052,755	_	405.28		
Templeton Fixed Horizon Fund Series IX - Plan A	10.00	-1,032,733	1,500,000		150.00	
Templeton Fixed Horizon Fund Series VIII - Plan E	10.00	_	1,000,000	_	100.00	
	10.00		1,000,000		100.00	



forming part of the Consolidated Balance Sheet

		Num	bers	Value		
SCHEDULE - 4 (Contd.)	Face Value (in Rupees)	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009	
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	1,000.00	62,114	-	714.63	-	
UTI Fixed Income Interval Fund - Quarterly Plan Series - III - Institutional Dividend Plan - Reinvestment	10.00	-	1,084,794	-	108.47	
UTI Fixed Income Interval Fund Annual Interval Plan IV - Institutional Growth Plan	10.00	-	1,000,000	-	100.00	
UTI Fixed Income Interval Fund Annual Interval Plan Series II - Institutional Growth Plan	10.00	-	3,000,000	-	300.00	
UTI Fixed Income Interval Fund Annual Interval Plan Series III - Institutional Growth Plan	10.00	2,000,000	2,000,000	200.00	200.00	
UTI Fixed Income Interval Fund Series Ii Quarterly Interval Plan VII - Institutional Dividend Plan	10.00	-	2,000,000	-	200.00	
UTI Fixed Maturity Plan Yearly Series YFMP/0309 - Institutional Growth	10.00	5,000,000	5,000,000	500.00	500.00	
UTI Fixed Maturity Plan Yearly Series YFMP09/09 - Institutional Growth	10.00	5,000,000	-	500.00	-	
UTI Fixed Term Income Fund Series - III Plan 20 - Institutional Growth	10.00	-	2,000,000	-	200.00	
UTI Fixed Term Income Fund Series - IV Plan X (May 08 - 12 months) - Institutional Growth Plan	10.00	-	1,000,000	-	100.00	
UTI Fixed Term Income Fund Series V - I (13 Months) - Institutional Growth Plan	10.00	-	1,500,000	-	150.00	
UTI Fixed Term Income Fund Series V - III (24 Months) - Institutional Growth Plan	10.00	1,000,000	1,000,000	100.00	100.00	
TOTAL				17,978.66	22,007.32	
Less: Provision				-	440.00	
TOTAL				17,978.66	21,567.32	



forming part of the Consolidated Balance Sheet

SCHEDULE - 4 (Contd.)

Note:

1. Details of Investments purchased and sold during the year

Particulars	Nos.	Cost
AIG India Treasury Fund - Super Institutional - Growth	3,497,207	400.00
Birla Sun Life Income Plus - Quarterly Dividend	1,875,077	212.08
Birla Sun Life Savings Fund - Institutional - Growth	2,395,353	400.00
Birla Sun Life Savings Fund - Institutional - Weekly Dividend Reinvestment	13,353,783	1,336.58
Birla Sunlife Dynamic Bond Fund - Retail	6,169,748	903.63
Canara Robeco Short Term Fund - Growth	2,960,127	300.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	2,466,018	250.10
DWS Short Maturity Fund - IP - Growth	3,802,751	400.00
Fortis Short Term Income Fund - IP - Growth	3,999,120	400.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	1,551,535	300.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvestment	7,209,339	722.62
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvestment	3,079,732	308.88
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option Dividend Reinvestment	4,021,108	405.36
HDFC Liquid Fund - Dividend - Daily Reinvestment Option : Reinvestment	1,961,342	200.02
HDFC Monthly Income Plan Short Term Fund - Quarterly Dividend	32,065	3.55
HDFC Short Term Plan - Dividend, Option : Reinvestment	2,983,598	307.18
HDFC Short Term Plan - Growth	3,504,998	600.02
ICICI Prudential Blended Plan A - Growth	3,665,501	500.00
ICICI Prudential Flexible Income Plan - Premium - Growth	3,829,955	900.00
ICICI Prudential Flexible Income Plan - Weekly Dividend	4,939,828	1,600.86
ICICI Prudential Institutional Income Plan Dividend Quarterly	5,127,989	622.18
ICICI Prudential Short Term Institutional Plan - Cummulative Option	1,738,898	322.97
IDFC Money Manager - Treasury Plan - Plan B - Growth	2,124,932	300.00
ING Treasury Advantage Fund - IP - Growth	3,369,045	400.00
Kotak Bond (Regular) - Quarterly Dividend	119,129	12.69
Kotak Bond (Short Term) - Monthly Dividend	543,808	54.83
Kotak Equity Arbitrage Fund - Growth	2,267,591	300.00
Kotak Floater Long Term - Daily Dividend Reinvestment	3,058,733	308.31
Kotak Floater Long Term - Growth	1,733,992	242.51
Reliance Interval Fund Quarterly Plan - Series I - Institutional Dividend Plan	7,907	0.79
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Plan	1,054,894	227.37
Reliance Money Manager Fund - Institutional Plan Weekly Dividend Plan	22,233	222.71
Sundaram BNP Paribas Ultra Short Term Fund - Super Institutional - Growth	4,209,392	500.00
Tata Floater Fund - Daily Dividend Reinvestment	4,038,379	405.28
Tata Floater Fund - Growth	3,044,882	400.00



forming part of the Consolidated Balance Sheet

(Rupees in					
	As at	As at			
	March 31, 2010	March 31, 2009			
SCHEDULE - 5					
INVENTORIES					
Television serials / films	2,405.27	904.50			
Tapes	8.53	18.06			
Content	53.68	-			
TOTAL	2,467.48	922.56			
SCHEDULE - 6					
CHARDY DEPTORS					
SUNDRY DEBTORS					
(Unsecured)	1 200 00	1 000 00			
Debts outstanding for a period exceeding six months	1,399.99	1,962.39			
Other debts (includes unbilled debtors amounting to Rs. 192.24 Lacs (Previous Year NIL))	4,607.26	4,948.81			
	6,007.25	6,911.20			
Less: Provision	14.00	1,838.84			
TOTAL	5,993.25	5,072.36			
Note:					
Considered Good	5,993.25	5,072.36			
Considered Doubtful	14.00	1,838.84			
TOTAL	6,007.25	6,911.20			
SCHEDULE - 7					
CASH AND BANK BALANCES					
Cash on hand	32.91	24.71			
Balances with Scheduled Bank	32.31				
In Current accounts	144.31	743.81			
In Fixed deposits accounts (including interest accrued Rs. NIL Lacs (previous year Rs. 13.26 Lacs) (banks have a lien on Fixed Deposit receipts of Rs. 65.55 Lacs (previous year Rs. 58.55 Lacs)	227.88	416.39			
TOTAL	405.10	1,184.91			
		-,			



forming part of the Consolidated Balance Sheet

(
	As at	As at		
	March 31, 2010	March 31, 2009		
SCHEDULE - 8				
LOANS AND ADVANCES				
(Unsecured)				
Loan to Balaji Employees Foundation	1,000.00	-		
Advances recoverable in cash or in kind or for value to be received	1,769.28	1,375.20		
Advance tax (net)	2,275.27	1,336.33		
Fringe benefit tax (net)	5.57	5.57		
Deposits *	1,015.01	1,064.65		
<u> </u>	6,065.13	3,781.75		
Less: Provision	852.00			
TOTAL	5,213.13			
	3,210110	0,0000		
Notes:				
1. Considered Good	5,213.13	3,029.75		
Considered Doubtful	852.00	752.00		
TOTAL	6,065.13	3,781.75		
	0,000.10	3,701173		
2. * Includes deposits given to directors / relative of directors for property taken on lease from them	846.00	846.60		
Maximum amount outstanding at any time during the year for above deposits	946.00	846.60		
	3.0.00	0.0.00		
SCHEDULE - 9				
CURRENT LIABILITIES				
Sundry creditors				
(i) Total outstanding dues to micro enterprises and small enterprises	-	-		
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,642.65	2,987.07		
(Including temporarily overdrawn book balances Rs. 51.80 Lacs, previous year Rs. NIL)	ŕ	ŕ		
	1,642.65	2,987.07		
	,	· · · · · · · · · · · · · · · · · · ·		
Unclaimed Dividend *	11.03	12.84		
Other liabilities	745.32	690.11		
Advances received from customers	41.13	306.17		
TOTAL	2,440.13	3,996.19		
* Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and	,	,		
when due.				
SCHEDULE - 10				
PROVISIONS				
For Tax (net)	227.52	73.43		
For Gratuity	0.98			
For Proposed dividend	195.63			
For Corporate dividend tax	33.26			
TOTAL	457.39	305.78		
		232		



forming part of the Consolidated Profit and Loss Aaccount

(Rupees in Lacs) For the year Previous Year 2009 - 2010 2008 - 2009 SCHEDULE - 11 **OTHER INCOME** Interest on: 52.70 86.03 Fixed deposits with banks (gross) (Tax deducted at source Rs. 18.10 Lacs (previous year Rs. 10.34 Lacs)) Staff loan / other loans 4.19 4.30 Tax Free Bonds 8.44 Income tax refund 21.19 Advance Given 56.89 8.22 128.18 Insurance Claim Received 68.07 3.04 Dividend on long term investments (non-trade) 251.18 518.03 Dividend on investment in mutual funds (current) (non-trade) 0.22 Surplus on liquidation of subisidiary (Refer note 1(b) of Schedule 15) 20.12 Excess provision of doubtful debts written back (net off Rs. 808.36 Lacs 1,119.40 (previous year Rs. NIL) of bad debts written off and service tax liability on the same aggregating to Rs. 88.92 Lacs (previous year Rs. NIL)written back) 1.258.24 838.18 Profit on sale of long term investments (non-trade) (net) Provision for diminution in the value of long term investments written back 440.00 Excess provision for earlier years written back (net) 73.44 359.42 Miscellaneous income 49.82 26.23 **TOTAL** 3,317.04 1,893.42 **SCHEDULE - 12** COST OF PRODUCTION / ACQUISITION OF TELEVISION SERIALS / FILMS/ CONTENT Opening stock of television serials / films and tapes 922.56 1,823.32 Add: Cost of production 3,643.00 **Acquisition Cost** Purchase of costumes and dresses 162.11 380.61 Purchase of tapes / raw stock 190.01 408.49 Artists, junior artists, dubbing artists fees 2,476.08 4.305.22 3,533.59 Directors, technicians and other fees 6,419.35 Shooting and location expenses 2,378.40 1,751.05 Telecasting fees 1,135.46 1,055.92 Uplinking charges / Special dispatch charges 180.37 250.26 238.88 Food and refreshments 407.73 Set properties and equipment hire charges 786.30 1,323.77 Negative processing charges 77.55 22.83 Insurance Line Production Charges 1,109.85 12,797.86 21,890.60 Other production expenses 583.98 1,867.65 13,720.42 23,713.92 2,467.48 672.56 Less: Closing stock of television serials / tapes / content **TOTAL** 11.252.94 23,041.36



forming part of the Consolidated Profit and Loss Aaccount

(Rupees in Lacs) For the year Previous Year 2009 - 2010 2008 - 2009 SCHEDULE - 13 **EMPLOYEE COSTS** Salaries, wages and bonus 1,716.14 1,297.84 Contribution to Provident and Other funds 115.78 64.77 Staff welfare expenses 56.40 78.21 **TOTAL** 1,888.32 1,440.82 **SCHEDULE - 14 ADMINISTRATIVE AND OTHER EXPENSES** 480.90 333.94 Electricity and water charges 877.48 885.37 Lease rent 77.39 Rates and taxes 41.51 Insurance 100.10 141.80 Repairs and maintenance 9.73 - Building - Plant and machinery 53.36 37.37 - Others 267.69 138.64 Travelling and conveyance expenses 171.07 184.74 919.11 Legal and professional charges 720.83 74.11 Communication charges 80.93 149.93 Loss on sale / discard of fixed assets (net) 72.73 Sotware expenses 31.76 440.00 Provision for diminution in value of long term investments (non trade) 35.26 54.21 **Donations** Bad debts written off 10.63 2.73 Advances written off 133.11 Provision for doubtful debts and advances 114.00 2,579.61 Director's sitting fees 3.70 4.65 Advertisement and sales promotion expenses 457.21 434.29 107.29 Commission 48.44 Miscellaneous expenses* 432.83 651.35 7,635.39 **TOTAL** 3,724.42

* (Includes security charges, house-keeping expenses, printing and stationery etc.)



forming part of the Consolidated Financial Statements

SCHEDULE 15

Significant accounting policies and notes on accounts

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The accompanying Consolidated Financial Statements of the Balaji Telefilms Limited (BTL/Parent Company) and its Balaji Motion Pictures Limited (Subsidiary) as aforesaid (hereinafter together referred as "the group"), have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards (AS) notified in the Companies (Accounting Standards) Rules 2006. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Parent Company namely March 31, 2010.

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.



HEDULES

forming part of the Consolidated Financial Statements

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 : Average cost Television serials/ feature films

Unamortised cost of feature

films/content

: 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.

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 delivered to the 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 recognized when no significant uncertainty as to its determination or realization exists.

Employee benefits

- a) Post employment benefits and other long term benefits
 - 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 Statue / Rules.
 - 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, deferred tax and fringe benefit tax.

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







forming part of the Consolidated Financial Statements

Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing difference between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that is no longer reasonably certain that the sufficient future taxable income will be available against which the deferred tax asset can be realized. (Refer note 8 below)

Fringe benefits tax is recognized in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India (ICAI).

Provisions and Contingencies

Provisions are recognized when the Group has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Group has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

B. NOTES ON ACCOUNTS

1. a) Details of Subsidiary included in Consolidated Financial Statements

Name	Country of Incorporation	% of Ownership interest / voting power
Balaji Motion Pictures Limited	India	100%

b) During the previous year, parent Company liquidated its subsidiary Balaji Telefilms FZE, consequently the same has not been consolidated.

(Rupees in Lacs)

		As at March 31, 2010	As at March 31, 2009
2.	Estimated amount of contracts remaining to be executed on capital account and not provided for :	50.00	75.00
3.	The Parent Company has applied to the Office of the Commissioner of Sales - tax, Mumbai, to ascertain whether the Company's sales are liable to tax under the Sales - tax laws. The matter is still pending before the Sales - tax authority.		
4.	Contingent liabilities in respect of Claim against the Parent Company not acknowledged as debts: This represents demand raised by a Prasar Bharti Broadcasting Corporation of India. The Parent Company is of the view that the claim is not valid. Legal proceedings have been initiated for quashing the said demand. The amount disclosed is the minimum liability on this count excluding interest thereon which is presently not quantifiable.	495.00	495.00

5. Related Party Disclosures

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Relative of Key management person
Mr. Ramesh Sippy	Relative of Key management person



forming part of the Consolidated Financial Statements

b) Details of Transactions with related parties during the year

(Rupees in Lacs)

	Column	number (re	(Rupees in Lacs)			
Nature of Transactions	Column	Humber (re	iei note ii i	Delow)	Total	
Nature of Transactions	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year
	Year	rear	rear	Year	rear	rear
Directors sitting fees						
Mr. Jeetendra Kapoor	1.15	1.20	-	-	1.15	1.20
Mr. Tusshar Kapoor	-	-	-	0.60	-	0.60
Rent paid						
Mr. Jeetendra Kapoor	23.38	22.46	-	-	23.38	22.46
Mrs. Shobha Kapoor	494.39	315.78	-	-	494.39	315.78
Mr. Tusshar Kapoor	-	-	5.39	5.09	5.39	5.09
Ms. Ekta Kapoor	4.80	5.29	-	-	4.80	5.29
Remuneration						
Mrs. Shobha Kapoor	110.12	247.12	-	-	110.12	247.12
Ms. Ekta Kapoor	132.30	269.31	-	-	132.30	269.31
Mr. Jeetendra Kapoor	-	43.84	-	-	-	43.84
Others	-	_	11.76	38.46	11.76	38.46
Artist Fees						
Mr. Tusshar Kapoor	-	-	75.00	-	75.00	_
Dividend paid						
Mrs. Shobha Kapoor	30.08	347.73	-	-	30.08	347.73
Ms. Ekta Kapoor	29.18	340.45	-	-	29.18	340.45
Mr. Jeetendra Kapoor	13.18	153.72	-	-	13.18	153.72
Mr. Tusshar Kapoor	-	_	-	71.06	-	71.06
Others	-	_	6.09	0.04	-	0.04
Deposit given						
Ms. Ekta Kapoor	100.00	-	-	-	100.00	
Amount payable as at March 31, 2010						
Mrs. Shobha Kapoor	-	145.63	-	-	-	145.63
Ms. Ekta Kapoor	-	147.36	-	-	-	147.36
Mr. Jeetendra Kapoor	0.51	43.84	-	-	0.51	43.84
Mr. Tusshar Kapoor	-	-	0.19	-	0.19	-
Others	-	-	-	3.76	-	3.76
Amount receivable as at March 31, 2010						
Mrs. Shobha Kapoor *	340.00	340.00	-	-	340.00	340.00
Mr. Jeetendra Kapoor *	306.00	306.60	-	-	306.00	306.60
Mr. Tusshar Kapoor *	-	-	100.00	100.00	100.00	100.00
Ms. Ekta Kapoor *	100.00	100.00	-	-	100.00	100.00

^{*} Deposits for lease property

Notes:

6. Segmental Information

A. Information about primary segments

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

(a) Commissioned Programmes : Income from sale of television serials to channels

(b) Sponsored Programmes: Income from telecasting of television serials on channels

(c) Feature Films: Income from Films

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. Column number represents :

^{1.} Key management personnel

^{2.} Relatives of key management personnel



forming part of the Consolidated Financial Statements

(Rupees in Lacs)

							(Rupe	ees in Lacs)
		issioned ammes		nsored ammes	Featur	re Films	Т	otal
	Current	Previous	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year	Year	Year
REVENUE								
From External Customers	12,838.16	26,844.18	2,444.25	2,647.71	638.58	4,256.06	15,920.99	33,747.95
Add : Inter Segment sale	-	-	-	-			-	-
Total Revenue	12,838.16	26,844.18	2,444.25	2,647.71	638.58	4,256.06	15,920.99	33,747.95
DECINIC								
RESULTS	4 676 04	6 602 01	450.44	052.02	(000 00)	(2111 00)	4 246 70	F F22 02
Segment result	4,676.94	6,682.81	458.44	952.92	(888.68)	(2111.80)	4,246.70	5,523.93
Unallocable Corporate (expenses)/ income (net)	-	-	-	-			(4,4/6.53)	(5,859.95)
Operating Profit							(229.84)	(336.02)
Interest income /Dividend on Long - Term Investments							306.98	646.43
Surplus on liquidation of subsidiary							-	20.12
Profit on sale of Long - Term Invesments (non trade)							1,258.24	838.18
Tax Expenses							(693.10)	(1,086.41)
Profit after tax							642.29	82.30
OTHER INCORMATION								
OTHER INFORMATION	12 272 02	12,307.82	844.00	060.69	4 162 26	1 122 05	17 200 20	14 401 25
Segment assets	12,273.02	12,307.62	044.00	909.00	4,163.36	1,123.05		14,401.35
Unallocated Corporate assets Total assets								27,007.20 41,408.55
Total assets							40,495.56	41,400.55
Segment liabilities	1,152.37	2,870.95	100.50	181.24	241.21	428.88	1,494.08	3.481.07
Unallocated Corporate liabilities							1,403.44	820.90
Total liabilities							2,897.52	4,301.97
Capital expenditure	232.32	5,289.52	1.13	-	2.38	6.47	235.83	5,295.99
Depreciation / Amortisation	727.81	2,180.43	3.45	-	3.53	2.30	734.78	2,182.73
Significant non cash expenses other								
than depreciation / amortisation								
Loss on sale / discard of fixed assets (net)	10.30	142.20		-		-	10.30	142.20
Provision for doubful debts and	-	1,827.61	14.00	-	100.00	752.00	114.00	2,579.61
advances								
Advances written off	_	-	-		-	133.11	-	133.11
Bad debts written off	808.36	-	-	2.73	-	-	808.36	2.73

- 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

	Export		Loc	Local		tal
	Current	Previous	Current	Previous	Current	Previous
	Year	Year	Year	Year	Year	Year
A) Revenue (Turnover)	3,913.72	18,862.37	12,007.27	14,885.58	15,920.99	33,747.95
B) Carrying amount of assets	716.46	2,044.54	25,393.82	14,840.43	26,110.28	16,884.97
C) Addition to fixed assets	-	-	393.16	5,507.52	393.16	5,507.52



HEDULES

forming part of the Consolidated Financial Statements

7. Earnings per share

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

	For the year 2009 - 2010	Previous Year 2008 - 2009
(a) Profit for the year attributable to equity share holders - (Rs. in Lacs)	629.20	47.51
(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 (Rs.)	0.96	0.07
(d) Nominal value of shares (Rs.)	2	2

Components of deferred tax assets and (liabilities)

(Rupees in Lacs) As at As at March 31, 2010 March 31, 2009 (249.82)Difference between the books and tax written down values of fixed assets (95.92)Provision for diminution in value of Long Term Investments (non-trade) 49.85 Provision for doubtful debts and advances 628.12 4.76 Preliminary expenses u/s 35D of the Income Tax Act, 1961 0.03 Disallowance under the Income Tax Act, 1961 1.27 Deferred tax asset/ (liability)-net Total (91.16)429.45

Turnover includes Rs. NIL (previous year Rs. 250.00 Lacs) being the value of unamortised cost of a film co-produced by the subsidiary.

10. Lease Transactions

a) The Parent Company has taken certain premises on non-cancellable operating lease basis. The tenure of leases ranges from 11 to 60 months. Future lease rentals in respect of fixed assets taken on non-cancellable operating lease basis are as follows:

		(Rupees in Lacs)
	As at	As at
	March 31, 2010	March 31, 2009
1) Amount due within 1 year	495.89	277.93
2) Amount due later than 1 year and not later than 5 years	222.39	85.05
3) Amount due later than 5 years	-	-
	718.28	362.98

- b) The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 36 months
- Amount of lease rentals charged to the Profit and Loss account in respect of operating leases is Rs. 875.18 Lacs (previous year Rs. 885.37 Lacs)
- 11. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedule 1 to 14

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani (Partner) Place: Mumbai Jeetendra Kapoor Shobha Kapoor Ekta Kapoor (Joint Managing Director) (Chairman) (Managing Director)

Date: April 28, 2010

For Snehal & Associates

Chartered Accountants

Date: April 28, 2010

Puneet Kinra Akshay Chudasama (Director) (Group CEO)

Snehal Shah (Proprietor) Place: Mumbai

Alpa Khandor Srinivasa Shenoy (Chief Financial Officer) (Company Secretary)

Place: Mumbai Date: April 28, 2010



forming part of the Consolidated Financial Statements

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR THE YEAR 2009-10

	Name of the Subsidiary Company	Balaji Motion Pictures Limited
1.	The Financial year/period of the Subsidiary Companies ended on	March 31, 2010
2.	Date from which they became Subsidiary Companies	March 9, 2007-Being the date of incorporation.
3 a)	Number of shares held by the Company with its nominees in the subsidiaries at the end of the financial year of the Subsidiary Companies	30,000,000
3 b)	Extent of interest in subsidiary Company	100%
4.	The Net aggregate amount of the Subsidiary Companies Profit/(loss) so far as it concerns the members of the Company.	
a)	Not dealt with in the Company's accounts	
i)	for the financial year ended March 31, 2010	Rs. (88,990,313)
ii)	for the previous financial years of the Subsidiary Companies since they became the Company's subsidiaries	Rs. (178,134,253)
b)	Dealt with in the Company's accounts	
i)	for the financial year ended March 31, 2010	NIL
ii)	for the previous financial years of the Subsidiary Companies since they became the Company's subsidiaries	NIL
Note : Fig	ures in bracket represent loss.	



DIRECTORS' REPORT

The Directors present their Fourth Annual Report together with the audited accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

(Rupees)

	For the Year	For the Year
	2009-2010	2008-2009
Income		
Turnover	63,857,708	425,605,539
Other income	108,310	2,114,465
Total	63,966,018	427,720,004
Expenditure	152,603,535	660,349,468
(Loss)/ Profit before depreciation, interest & tax	(88,637,517)	(232,629,464)
Interest	-	-
Depreciation	352,796	282,873
(Loss)/ Profit before tax	(88,990,313)	(232,912,337)
Tax	-	193,966
(Loss)/ Profit after tax	(88,990,313)	(233,106,303)
Balance brought forward from previous year/ period	(178,134,253)	54,972,050
Total	(267,124,566)	(178,134,253)
Appropriations		
General reserve	-	-
Balance carried to the balance sheet	(267,124,566)	(178,134,253)

OPERATIONS AND BUSINESS PERFORMANCE

The Company successfully released one movie during the year and achieved total income of Rs. 639.66 Lacs. During the year, the Company incurred a loss after tax of Rs. 889.90 Lacs.

The Company has completed the production of two films, which are expected to be released in the Financial Year 2010-11. Further, the Company is at various stages of discussion with various parties for additional movie ventures during the year.

Mr. Ajit Thakur resigned from his office as CEO of the Company effective from May 14, 2009. Mr. Puneet Kinra, Group CEO, took over the responsibilities as CEO of the Company effective from July 29, 2009.

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ended March 31, 2010 are annexed to this Report.

TRANSFER TO RESERVES

The Company has incurred losses in the current year due to which it does not propose to transfer any amount to the reserves.

DIVIDEND

The Company has incurred losses in the current year hence your Board has not recommended any dividend for the year ended March 31, 2010.

SHARE CAPITAL

During the year under review, there was no change in the Authorised and Paid-up Capital of the Company. As on March 31, 2010, the Authorised Capital of the Company stands at Rs. 35,00,00,000 (Rupees Thirty Five Crores Only) and the Paid up Capital of the Company stands at Rs. 30,00,00,000 (Rupees Thirty Crores Only). All the shares 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 2009-10 and the date of this report, which have effect over the financial position of the Company.

DIRECTORS

During the year, Ms Ekta Kapoor and Mr. Dhruv Kaji retiring directors were re-appointed as directors of the Company in the Third Annual General Meeting of the Company held on July 29, 2009.

Mr. Akshay Chudasama and Mr. Pradeep Sarda, who were appointed as additional directors of the Company on January 28, 2009, were appointed as directors of the Company in the Third Annual General Meeting of the Company held on July 29, 2009.

Mr. D. G. Rajan was appointed as Additional (Non-Executive and Independent) Director of the Company with effect from July 19, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company.



The Company has received notice under Section 257 of the Companies Act, 1956, together with requisite deposit proposing appointment of Mr. D. G. Rajan as Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jeetendra Kapoor and Mrs. Shobha Kapoor shall retire by rotation and being eligible, offer themselves for reappointment. Your directors recommend above reappointments at the ensuing Annual General Meeting.

The brief resume/details relating to the Directors who are to be appointed/re-appointed are furnished alongwith the notice convening the Annual General Meeting.

AUDITORS

The auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed. You are requested to appoint the Auditors to hold office from the conclusion of the ensuing Annual General Meeting till conclusion of the next Annual General Meeting.

AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts in Schedule 15 are self-explanatory and do not require further explanation.

AUDIT COMMITTEE

During the year, the Audit Committee of the Board was reconstituted on July 29, 2009 and July 19, 2010. Presently the Audit Committee consists of Mr. Akshay Chudasama, Chairman and Mr. Jeetendra Kapoor, Mr. Dhruv Kaji, Mr. Pradeep Sarda and Mr. D. G. Rajan, members. All the members are non-executive directors of the Company.

FIXED DEPOSITS

The Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the balance sheet date.

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:

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. The Company, wherever feasible, has bought star rated equipments, which are energy efficient. 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 on going business.

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

Foreign Exchange Earnings and Outgo

Earnings in foreign exchange was Rs. 25,000,000/- (Previous year Rs. 140,020,000/-).

Expenditure in foreign exchange was Rs. 565,432/- (Previous year Rs. 175,450/-).

Balance Sheet Profit and Loss Account Cash Flow Statement Schedules Balance Sheet Abstract Notice



PARTICULARS OF EMPLOYEES

Particulars of employees for the year ended March 31, 2010 as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, are as under:

Sr.	Name of The Employee	Designation & Nature of Duties	Gross Remuneration (Rupees)	Nature of Employment	Qualification	Experience	Date of Joining	Age (Yr)	Last Employment	% of Equity Shares Held
1	Tusshar Kapoor	Executive Director	8,660,130	Employee	Management Graduate	10 Yrs	Aug 1, 2007	33	N/A	1
2	Priya Aven	EVP	3,615,244	Employee	Graduate	9 Yrs	Aug 3, 2009	33	UTV Motion Pictures Ltd.	Nil
3	Vishal Gurnani	SVP	2,239,247	Employee	B. Com.	10 Yrs	Aug 10, 2009	29	Social Media India Ltd	Nil
4	Gauri Sathe	VP	1,486,776	Employee	Msc,Mass Comm, MBA	9 Yrs	Aug 17, 2009	38	Indiepix Films	Nil
5	Conrad Martin	VP	1,353,333	Employee	B.Com	14 Yrs	Sep 7, 2009	39	Reliance Big Pictures	Nil
6	Vikram Malhotra	C00	4,229,167	Employee	МВА	9 Yrs	Sep 7, 2009	35	Kingfisher Airlines The UB Group	Nil
7	Neeraj Joshi	AVP	600,000	Employee	MBA	7 Yrs	Dec 1, 2009	29	One More Thought Entertainment	Nil
8	Anku Pande	SVP	956,989	Employee	Graduate	14 Yrs	Jan 4, 2010	40	Warner Brothers	Nil
9	Sunny Khanna	VP	606,183	Employee	B.Com.	7 Yrs	Jan 11, 2010	29	Mumbai Mantra	Nil
10	Sheel Nimbalkar	AVP	321,447	Employee	HSC	12 Yrs	Feb 3, 2010	35	RGV Film Factory	Nil
11	Ajit Thakur	CEO	2,620,848	Employee	MBA	12 Yrs	Jan 5, 2009	37	UTV	Nil
12	Panchali Chakraverty	CDO	2,296,667	Employee	BSc., PGDBM In Finance	12 Yrs	Oct 22, 2009	35	Zee Telefilms Ltd.	Nil

Notes:

- All employees except Mr. Tusshar Kapoor were in service for part of the year.
- The nature of employment in all cases is contractual.
- The gross remuneration shown above comprises salary, allowances, gratuity under LIC scheme in terms of actual expenditure incurred by the Company and monetary value of the perquisites as per income tax rules.
- None of the employees mentioned above are related to any Directors of the Company, except for Mr. Tusshar Kapoor who is related to Mr. Jeetendra Kapoor, Ms. Shobha Kapoor and Ms. Ekta Kapoor.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to 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, the applicable accounting standards have been followed and no material departures have been made from the same;
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the annual accounts 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,

Mumbai Jeetendra Kapoor July 19, 2010 Chairman



AUDITORS' REPORT

To the Members of Balaji Motion Pictures Limited

- 1. We have audited the attached Balance Sheet of Balaji Motion Pictures Limited as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 it appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
- On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For Deloitte Haskins & Sells Chartered Accountants Reg. No 117366W

A.B. Jani Partner Membership Number: 46488

> Mumbai, Dated: April 28, 2010

Balance Sheet Profit and Loss Account Cash Flow Statement Schedules Balance Sheet Abstract Notice



ANNEXURE TO THE AUDITORS' REPORT

Re: Balaji Motion Pictures Limited (Referred to in paragraph 3 of our report of even date)

- The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of 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 the fixed
 - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Since none of the fixed assets were disposed off during the year, clause (i) (c) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to 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 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 under Section 301 of the Companies Act, 1956. Hence, clause (iii) (a) to (d) of paragraph 4 of 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 Rs. 3,699.40 Lacs and the yearend balance was Rs. 3,593.40 Lacs.
 - (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 and 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 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 Rs. 5 Lacs 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 firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- (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, 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 Income-tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 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 31st March, 2010 on account of disputes.
- (xi) Since the Company is in existence for less than five years from the date of registration, clause (x) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable.
- (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 and 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) 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 not been used during the year for long- term investment.
- (xvii)The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (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 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 on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells **Chartered Accountants** Reg. No 117366W

A.B. Jani Partner

Membership Number: 46488

Dated: April 28, 2010

Mumbai.

Cash Flow Statement Schedules **Balance Sheet Abstract** Notice



BALANCE SHEET

as at March 31, 2010

(Ru	nees)
(1)	PCC3

	Schedule No.	As at March 31, 2010		As at March 31, 2009	
I SOURCES OF FUNDS					
1 Shareholders' funds					
Share capital	1		300,000,000		300,000,000
2 Loan funds					
Unsecured Loans					
from Holding Company			359,339,755		39,160,722
TOTAL			659,339,755		339,160,722
II APPLICATION OF FUNDS					
1 Fixed assets	2				
Gross block		2,342,160		2,104,507	
Less : depreciation		652,306		299,510	
Net block			1,689,854		1,804,997
2 Current assets, loans and advances					
A. Inventories	3	232,206,544		83,228,165	
B. Sundry debtors	4	38,910,833		1,551,906	
C. Cash and bank balances	5	11,777,072		7,192,376	
D. Loans and advances	6	131,751,405		112,015,763	
		414,645,854		203,988,210	
Less : Current liabilities and provisions					
A. Current liabilities	7	24,022,891		44,734,574	
B. Provisions	8	97,628		32,164	
		24,120,519		44,766,738	
Net current assets			390,525,335		159,221,472
3 Profit and Loss Account			267,124,566		178,134,253
TOTAL			659,339,755		339,160,722
Significant accounting policies and notes on accounts	14				

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

A. B. Jani (Partner) Place : Mumbai Date : April 28, 2010 For and on behalf of Balaji Motion Pictures Limited

Jeetendra Kapoor (Chairman)

Shobha Kapoor (Director)

Tusshar Kapoor (Executive Director)

Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Nitesh Shrivastava (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Date : April 28, 2010

Balance Sheet

Profit and Loss Account

Cash Flow Statement

Schedules



PROFIT AND LOSS ACCOUNT

for the year ended March 31, 2010

			(Rupees)
	Schedule No.	For the year 2009 - 2010	Previous Year 2008 - 2009
INCOME			
Turnover	9	63,857,708	425,605,539
Other income	10	108,310	2,114,465
TOTAL		63,966,018	427,720,004
EXPENDITURE			
Cost of films produced / acquired	11	64,629,269	497,498,652
Employee costs	12	25,041,535	12,040,558
Administrative and other expenses	13	62,932,731	150,810,258
Depreciation		352,796	282,873
TOTAL		152,956,331	660,632,341
(LOSS) BEFORE TAX		(88,990,313)	(232,912,337)
Provision for tax			
Deferred tax		-	6,034
Fringe Benefits tax		-	(200,000)
(LOSS) AFTER TAX		(88,990,313)	(233,106,303)
Balance brought forward from previous year		(178,134,253)	54,972,050
BALANCE CARRIED TO BALANCE SHEET		(267,124,566)	(178,134,253)
Basic and diluted earnings per share		(2.97)	(7.77)
(Refer note B6 of Schedule 14)			
Significant accounting policies and notes on accounts	14		

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

A. B. Jani (Partner) Place: Mumbai Date: April 28, 2010 For and on behalf of Balaji Motion Pictures Limited

Jeetendra Kapoor (Chairman)

Shobha Kapoor (Director)

Tusshar Kapoor (Executive Director)

Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Nitesh Shrivastava (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place: Mumbai

Date: April 28, 2010



CASH FLOW STATEMENT

for the year ended March 31, 2010

(Rupees)

			ne year	Previous Year		
		2009	- 2010	2008 - 2009		
Α	Cash flow from operating activities					
	(Loss) before tax	(88,990,313)		(232,912,337)		
	Adjustments for:					
	Depreciation	352,796		282,873		
	Interest / Dividend Income	(108,310)		(1,994,465)		
	Loss on sale of Current Investment (Non Trade)	-		641		
	Provision for doubtful advances	10,000,000		75,200,000		
	Advance written off	-		13,311,000		
	Operating (loss) before working capital changes	(78,745,827)		(146,112,288)		
	(Increase) / Decrease in trade and other receivable	(65,130,129)		378,343,507		
	(Increase) / Decrease in inventories	(148,978,379)		3,362,830		
	Decrease in trade payables	(20,646,219)		(15,136,139)		
	·	· ·	(313,500,554)		220,457,910	
	Direct taxes and fringe benefit tax paid		(1,964,440)		(64,250,615	
	Net cash (used in) / generated from operating activities (a)		(315,464,994)		156,207,295	
В	Cash flow from investing activities					
	Purchase of fixed assets	(237,653)		(905,138)		
	Purchase of Investment	(237,033)		(2,521,987)		
	Sale of Investment	_		2,521,346		
	Interest / Dividend Income received	108,310		1,994,465		
	Net cash (used in) / generated from investing activities (b)		(129,343)	1,00 1,100	1,088,680	
_	Cook flow from financing policities					
С	Cash flow from financing activities Loan/ Advances given by Holding Company	345,309,033		194,828,475		
	Loan/ Advances repaid to Holding Company Net cash generated from / (used in) financing activities (c)	(25,130,000)	220 170 022	(350,871,683)	(156.043.300	
	Net cash generated from / (used in) financing activities (c)		320,179,033		(156,043,208	
	Net increase in Cash and Cash equivalents (a+b+c)		4,584,696		1,252,773	
	Cash and Cash equivalent at the beginning of the year		7,192,376		5,939,603	
	Cash and Cash equivalents at the end of the year		11,777,072		7,192,376	

Notes:

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

For and on behalf of Balaji Motion Pictures Limited

A. B. Jani (Partner) Place : Mumbai Date : April 28, 2010 Jeetendra Kapoor (Chairman)

Shobha Kapoor (Director)

Tusshar Kapoor (Executive Director)

Akshay Chudasama (Director)

Puneet Kinra (Group CEO)

Nitesh Shrivastava (Company Secretary)

Srinivasa Shenoy (Chief Financial Officer)

Place : Mumbai Date : April 28, 2010

chedules

Balance Sheet Abstract

Notice

¹ Components of Cash and Cash equivalent include cash and bank balances (refer Schedule 5)

² Purchase of fixed assets (including movements in capital work in progress) is treated as a part of investing activities



forming part of the Balance Sheet

SCHEDULE - 1 SHARE CAPITAL Authorised 35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up 30,000,000 Equity shares of Rs. 10/- each	As at March 31, 2010	As at March 31, 2009
SHARE CAPITAL Authorised 35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up	March 31, 2010	March 31, 2009
SHARE CAPITAL Authorised 35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up		
Authorised 35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up		
Authorised 35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up		
35,000,000 equity shares of Rs. 10/- each Issued, Subscribed and Paid-Up		
Issued, Subscribed and Paid-Up		
	350,000,000	350,000,000
30 000 000 Equity shares of Rs. 10/2 each		
30,000,000 Equity Shares of Its. 10/- each	300,000,000	300,000,000
(All the above shares are held by Balaji Telefilms Limited, the		
holding company and its nominees)		
TOTAL	300,000,000	300,000,000

SCHEDULE 2

FIXED ASSETS

(Rupees)

	GI	ROSS BLO	CK	DE	PRECIATION	ON	NET E	NET BLOCK	
Particulars	As at April 1, 2009	Additions	As at March 31, 2010	Upto March 31, 2009	For the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009	
Computers	435,111	102,135	537,246	67,418	76,250	143,668	393,578	367,693	
Office equipment	22,500	135,518	158,018	1,600	10,314	11,914	146,104	20,900	
Plant and Machinery - Computer	1,646,896	-	1,646,896	230,492	266,232	496,724	1,150,172	1,416,404	
Total	2,104,507	237,653	2,342,160	299,510	352,796	652,306	1,689,854	1,804,997	
Previous year	199,369	1,905,138	2,104,507	16,637	282,873	299,510	1,804,997		

		(Rupees)
	As at	As at
	March 31, 2010	March 31, 2009
SCHEDULE - 3		
INVENTORIES		
Films	232,206,544	83,228,165
TOTAL	232,206,544	83,228,165
SCHEDULE - 4		
SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	-	1,551,906
Other debts (includes unbilled debtors amounting to Rs. 19,224,034/- (Previous Year NIL))	38,910,833	-
TOTAL	38,910,833	1,551,906



forming part of the Balance Sheet

forming part of the Balance Sheet		(Rupees)
	As at March 31, 2010	As at
SCHEDULE - 5	Water 31, 2010	Water 31, 2003
SCHEDULE - 5		
CASH AND BANK BALANCES		
Cash on hand	452,429	34,080
Balances with scheduled bank		
In Current account	11,324,643	7,158,296
TOTAL	11,777,072	7,192,376
SCHEDULE - 6		
LOANS AND ADVANCES		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received (refer note 4)	139,053,575	101,366,633
Advance tax (net)	77,792,150	75,827,710
Deposits (refer note 2)	105,680	10,021,420
	216,951,405	187,215,763
Less: Provision	85,200,000	75,200,000
TOTAL	131,751,405	112,015,763
Neter		
Notes: 1. Considered good	121 751 405	112,015,763
Considered doubtful	131,751,405 85,200,000	75,200,000
TOTAL	216,951,405	187,215,763
	210,551,105	107,210,700
2. Includes deposit given to a director for property taken on lease.	-	10,000,000
3. Maximum amount outstanding at any time during the year for above deposit	10,000,000	10,000,000
4. Includes advances towards acquisition of rights in films under production /		
co-production aggregating to Rs. 125,697,900/- (Previous Year Rs. 100,200,000/-)		
SCHEDULE - 7		
CURRENT LIABILITIES		
Sundry creditors: (Refer note 12 of Schedule 14)		
(i) Total outstanding dues to micro enterprises and small enterprises		_
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Including	14,636,571	9,378,477
temporarily overdrawan book balances Rs. 135,925/-, previous year Rs. NIL)		
	14,636,571	9,378,477
Advances received from customers	3,000,000	29,939,528
Other liabilities	6,386,320	5,416,569
TOTAL	24,022,891	44,734,574
SCHEDULE - 8		
PROVISIONS		
	97,628	32,164
For Gratuity	97,020	
For Gratuity TOTAL	97,628	32,164
· · · · · · · · · · · · · · · · · · ·		32,164
TOTAL		32,164
SCHEDULE 9		
TOTAL SCHEDULE 9 TURNOVER	97,628	32,164 465,809,494 (40,203,955)



forming part of Profit and Loss Account

				(Rupees)
	For the year		Previous	
	2009 -	2010	2008 -	2009
SCHEDULE - 10				
OTHER INCOME				
Interest on:				
Fixed deposits with banks (gross)	108,310.00		1,150,059	
(Tax deducted at source Rs. 16,270/- (previous year Rs. 259,434/-)				
Advance given	-	108,310	822,419	1,972,478
Rent Received		-		120,000
Dividend on Investment in Mutual funds (current) (non-trade)		-		21,987
TOTAL		108,310		2,114,465
SCHEDULE - 11				
33.123322				
COST OF FILMS PRODUCED / ACQUIRED				
Opening stock of films		83,228,165		86,590,995
Add: Cost of production / acquisition				
Acquisition Cost	-		364,300,000	
Purchase of costumes and dresses	5,444,485		1,748,497	
Purchase of tapes / raw stock	2,391,203		14,588,721	
Artistes, junior artistes, dubbing artistes fees	35,028,959		32,890,612	
Directors, technicians and other fees	25,482,004		29,199,907	
Shooting and location expenses	16,638,913		5,853,117	
Food and refreshments	1,696,060		561,769	
Set properties and equipment hire charges	8,852,440		3,569,016	
Negative processing charges	-		7,755,245	
Insurance	2,283,311		-	
Line Production Charges	110,985,000		-	
Other production expenses	4,805,273	213,607,648	8,668,938	469,135,822
		296,835,813		555,726,817
Less: Closing stock of films (excludes ammortised cost of film Rs. NIL (previous year Rs. 25,000,000/-)(refer Schedule 9)		232,206,544		58,228,165
TOTAL		64,629,269		497,498,652
SCHEDULE - 12				
EMPLOYEE COSTS				
Salaries, wages and bonus			23,833,975	11,494,031
Contribution to Provident and Other funds				
			1,146,169	545,695
Staff welfare expenses TOTAL			61,391	12 040 559
IVIAL			25,041,535	12,040,558



forming part of Profit and Loss Account

(Rupees)

	For the year 2009 - 2010	Previous Year 2008 - 2009
SCHEDULE - 13		
ADMINISTRATIVE AND OTHER EXPENSES		
Lease rent	120,000	529,440
Rates and taxes	10,494	371,071
Insurance	104,785	14,661
Repairs and maintenance - Others	18,336	174,714
Travelling and conveyance expenses	1,307,414	491,934
Legal and professional charges	13,304,996	9,039,500
Provision for doubtful advances	10,000,000	75,200,000
Advances written off	-	13,311,000
Communication charges	246,566	141,859
Loss on sale of curent investment (non trade)	-	641
Donations	20,000	2,000
Directors sitting fees	130,000	60,000
Advertisement and distribution expenses	31,424,552	39,816,760
Commission	4,844,426	10,729,267
Miscellaneous expenses *	1,401,162	927,411
TOTAL	62,932,731	150,810,258
*Miscellaneous expenses include security charges, printing and stationery etc.		



forming part of the accounts

SCHEDULE 14

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India, the Accounting Standard notified under the Companies (Accounting Standard) Rule, 2006 and relevant provisions of 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 recognised in the year in which the results are known / materialised.

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

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.

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 realisable value. Cost is determined on the following basis:

Films : Average cost

Unamortised cost of : feature 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 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 Statue / 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 Profit and Loss account.



HEDULES

forming part of the accounts

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 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 recognised as expenses in accordance with the respective lease agreements.

Taxes on income

Tax expense comprises of current tax, deferred tax and fringe benefit 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. (Refer note 7 below)

Fringe benefits tax is recognized in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India (ICAI).

Provisions and Contingencies

Provisions are recognised when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognised nor disclosed.







forming part of the accounts

B. NOTES ON ACCOUNTS

(Rupees) For the year Previous Year 2009 - 2010 2008 - 2009 Managerial remuneration under section 198 of the Companies Act,1956 to Director (included under the head "Employees Costs" refer Schedule 13) 6.00.000 6.00.000 5,04,000 5,04,000 Perquisites Contribution to Provident Fund 72,000 60,000 Artist Fees 75,00,000 **Total** 86,76,000 11,64,000

Notes:

- a) The above remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.
- b) In view of losses incurred during the year, managerial remuneration is subject to the limits specified in Schedule XIII of the Companies Act, 1956. Accordingly, the remuneration paid to the director (and charged to the Profit and Loss account) has been restricted to the limit specified in Schedule XIII. The Company has also received Central Government approval for balance remuneration payable to the Director on July 29, 2009.
- c) As per the terms of appointment of the directors of the Company, they are entitled to receive commission out of profits of the Company. In view of the losses incurred during the year, commission is not payable to them. Hence, the computation of net profit in accordance with Section 198 read with Section 309 of the Companies Act, 1956 has not been provided.

2. Payment to auditor

(Rupees) For the year Previous Year 2009 - 2010 2008 - 2009 a) as auditors 5,00,000 5,00,000 b) in any other manner (certification work, etc.) 60,000 c) for service tax 51,500 58,916 **Total** 5,51,500 618,916

3. The Government of Maharashtra has covered sale of rights of cinematographic films under Maharashtra Value Added Tax Act, 2002 (MVAT). The Company has collected Rs. 4,700,000/- (previous year Rs. 4,700,000/-) towards MVAT on satellite rights, which has been paid off in full, subsequent to the year end.

4. Related Party Disclosures

(a) Name of related parties and description of relationship

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Ramesh Sippy	Relative of key management person
Balaji Telefilms Limited	Holding Company (control exist)



forming part of the accounts

b) Details of Transactions with related parties during the year

(Rupees)

	Column number (refer note II below)				(rtapees)			
Nature of Transactions		1		2		3	To	tal
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Advances Received								
Balaji Telefilms Limited	345,309,033	194,828,475	-	-	-	-	345,309,033	194,828,475
Rent Paid								
Ms. Ekta Kapoor	-	-	-	529,440	-	-	-	529,440
Balaji Telefilms Limited	120,000	-	-	-	-	-	120,000	_
Rent Received								
Balaji Telefilms Limited	-	120,000	-	-	-	-	-	120,000
Advances Repaid/ Adjusted								
Balaji Telefilms Limited	25,130,000	350,871,683	-	-	-	-	25,130,000	350,871,683
Directors sitting fees								
Jeetendra Kapoor	-	-	40,000	30,000	-	-	40,000	30,000
Remuneration								
Mr. Tusshar Kapoor	-	-	1,176,000	1,164,000	-	-	1,176,000	1,164,000
Mr. Ramesh Sippy	-	-	-	-	-	2,682,000	-	2,682,000
Artist Fees								
Mr. Tusshar Kapoor	-	-	7,500,000	-	-	-	7,500,000	-
Deposits Received Back								
Ms. Ekta Kapoor	-	-	10,000,000	-	-	-	10,000,000	-
Closing Balance Payable								
Balaji Telefilms Limited	359,339,755	39,160,722	-	-	-	-	359,339,755	39,160,722
Others	-	-	-	92,000	-	283,600	-	375,600
Closing Balance Receivable								
Ms. Ekta Kapoor *	-	-	-	10,000,000	-	-	-	10,000,000

^{*} Deposit for lease property

Notes:

- I. There are no provisions for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
- II. Column number represents,
 - 1. Holding Company
 - 2. Key management personnel
 - 3. Relative of key management personnel
- 5. a) 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





forming part of the accounts

(Rupees)

					(. (apooo)	
	Exp	Export Local Total		Local		tal
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	25,000,000	140,020,000	38,857,708	285,585,539	63,857,708	425,605,539
B) Carrying amount of assets	25,000,000	-	391,335,708	122,773,121	416,335,708	122,773,121
C) Addition to fixed assets	-	-	237,653	1905,138	237,653	1905,138

6. Earnings per share

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

	For the year 2009 - 2010	Previous Year 2008 - 2009
(A) Net (loss) after tax as per the Profit and Loss account (Rs.)	(88,990,313)	(233,106,303)
(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 (Rs.)	(2.97)	(7.77)
(D) Nominal value of shares (Rs.)	10	10

7. In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognised 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.

8. Lease Transaction

a) The Company has taken a premise on non-cancellable operating lease basis. The tenure of the lease is for 36 months. Future lease rentals in respect of the same are as follows:

		(Rupees)
	As at March 31, 2010	As at March 31, 2009
1) Amount due within 1 year	120,000	-
2) Amount due later than 1 year and not later than 5 years	120,000	-
3) Amount due later than 5 years	-	-
	240,000	-

- b) Amount of lease rentals charged to the Profit and Loss account in respect of operating leases is Rs. 120,000/- (previous year Rs. 5,29,440/-)
- c) Amount of sub-lease rentals recognised to the Profit and Loss account is Rs. NIL (previous year Rs. 120,000/-)

9. Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognised as expense amounts to Rs. 1,080,705/- (previous year Rs. 535,302/-)

b) Defined Benefit Plans

I Reconciliation of liability recognised in the Balance Sheet

		(Rupees)
	For the year	Previous Year
	2009 - 2010	2008 - 2009
Fair Value of plan assets as at the end of the year	117,949	97,987
Present Value of Obligation as at the end of the year	183,413	40,286
Net (assets) in the Balance Sheet	(65,464)	(57,701)



forming part of the accounts

II Movement in net liability recognised in the Balar

П	Movement in net liability recognised in the Balance Sheet		
	, ,		(Rupees)
		For the year	Previous Year
		2009 - 10	2008 - 09
	Net liability as at the beginning of the year	(57,701)	24,003
	Net expense recognised in the Profit and Loss account	133,444	9,096
	Contribution during the year	(10,279)	(90,800)
	Net (assets) / liability as at the end of the year	(183,413)	(57,701)
Ш	Expense Recognised in the Profit and Loss account (Under the head "Employees Costs	" refer Schedu	ıle 13)
			(Rupees)
			Previous Year
		2009 - 10	2008 - 09
	Current Service Cost	128,039	110,336
	Interest Cost	13,045	
	Expected Return on Plan assets	(8,661)	
	Actuarial (gains) / losses	1,021	(104,723)
	Expense charged to Profit and Loss Account	133,444	
IV	Return on Plan Assets		
1 V	Netuiii oii Fidii Assets		(D)
		English	(Rupees)
			Previous Year
		2009 - 10	2008 - 09
	Expected return on plan assets	8,661	(7,264)
	Actuarial (gains) / losses	1,022	77
	Actual return on plan assets	9,683	(7,187)
V	Reconciliation of defined benefits commitments		
٧	Reconciliation of defined benefits committinents		(D)
		=	(Rupees)
			Previous Year
		2009 - 10	2008 - 09
	Commitments at beginning of the year	40,286	24,003
	Current Service Cost	128,039	110,336
	Interest Cost	13,045	10,747
	Actuarial (gains) / losses	2,043	(104,800)
	Benefits paid	-	-
	Settlement cost	-	-
	Commitments at year end	183,413	40,286
VI	Reconciliation of plan assets		
• •			(Rupees)
		For the year	Previous Year
		2009 - 10	2008 - 09
	Fair Value of plan assets at beginning of the year		
	Expected return on plan assets	97,987 8,661	7,264
	Actuarial gains/(losses)	1,022	(77)
	Employer contribution	10,279	90,800

97,987

117,949

Benefits paid

Fair Value of plan assets at year end



forming part of the accounts

VII Actuarial Assumption

	For the year 2009 - 10	Previous Year 2008 - 09
Mortality Table (LIC)	1994-96	1994-96
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	8.25%	7.75%
Expected Rate of return on Plan assets (per annum)	8.00%	8.00%
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 fund balance with LIC as at March 31, 2010 is not available with the Company.

- **10.** The accumulated losses of Rs. 267,124,566/- as at March 31, 2010 have partly eroded the net worth of the Company. The accounts of the Company have, however, been prepared on a going concern basis, which is depended upon continuing availability of finance and future profitability.
- 11. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956 (to the extent applicable)

		(Rupees)
	For the year	Previous Year
	2009 - 10	2008 - 09
	F.C.F. 422	175 150
a Expenditure in foreign currency	565,432	175,450
Travelling and Conveyance Expenses		
b Earnings in foreign exchange:		
Sale of Film	25,000,000	140,020,000

- 12. 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. Accordingly, disclosure as required by the said Act is made on that basis.
- 13. Figures for the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedule 1 to 14

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

A. B. Jani (Partner) Place : Mumbai Date : April 28, 2010 For and on behalf of Balaji Motion Pictures Limited

Jeetendra Kapoor Shobha Kapoor Tusshar Kapoor (Chairman) (Director) Tusshar Kapoor (Executive Director)

Akshay Chudasama Puneet Kinra (Group CEO)

Nitesh Shrivastava Srinivasa Shenoy (Company Secretary) (Chief Financial Officer)

Place : Mumbai Date : April 28, 2010



BALANCE SHEET ABSTRACT

Information pursuant to the provisions of Part IV of the Schedule VI to the Companies Act, 1956

ı.	Reg	Registration Details																			
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Balaji Telefilms Limited



Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: 91 22 4069 8000 Fax: 91 22 4069 8181 / 82 Website: www.balajitelefilms.com

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Friday, August 27, 2010, at 4:30 p.m., at "The Club" 197, D.N. Nagar, Andheri (W), Mumbai – 400 053, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2. To declare dividend for the financial year ended on March 31, 2010.
- 3. To appoint a Director in place of Mr. Jeetendra Kapoor, who retires by rotation and, being eligible, seeks re-appointment.
- 4. To appoint a Director in place of Mr. Dhruv Kaji, who retires by rotation and, being eligible, seeks re-appointment.
- To appoint M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai, and M/s. Snehal & Associates, Chartered Accountants, Mumbai, as Joint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT Mr. D. G. Rajan, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on July 19, 2010 and who holds office till the date of this Annual General Meeting, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. D. G. Rajan as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
- To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
 - "RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. Tusshar Kapoor as Wholetime Director designated as Executive Director (or any other designation which the Board of Directors of Balaji Motion Pictures Limited may decide from time to time) in Balaji Motion Pictures Limited, wholly owned subsidiary of the Company, for a period of three years with effect from August 1, 2010 on existing remuneration and terms & conditions.

"RESOLVED FURTHER THAT the Board of Directors of BMPL be and are hereby authorised to make alterations and revisions from time to time, on their sole discretion, in the terms of appointment of Mr. Tusshar Kapoor as above."

NOTES

 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.
- The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 6 and 7 is annexed hereto.
- 4. All the documents referred to in the accompanying notice and annual report and the Register of Directors' Shareholding are open for inspection by the members at the Registered Office of the Company on all working days between 11:30 a.m. to 3:30 p.m.
- The Register of Members and Share Transfer Books will remain closed from Monday, August 16, 2010 to Friday, August 27, 2010 both days inclusive.
- 6. Pursuant to provisions of Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, 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 2003. 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.
- 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 Depositary Participants.
- 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.
- 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.

By order of the Board of Directors

Alpa Khandor Company Secretary

July 19, 2010 Mumbai

Registered Office:

C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. D. G. Rajan was co-opted as an Additional Director of the Company with effect from July 19, 2010 pursuant to Section 260 of the Companies Act, 1956. Mr. D. G. Rajan 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. 500/- proposing the candidature of Mr. D. G. Rajan for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

The Directors recommend the Resolution set out at Item 6 of the accompanying Notice for the approval of the Members.

None of the directors other than Mr. D. G. Rajan may be deemed to be concerned or interested in passing of the said resolution.

Item No. 7

Mr. Tusshar kapoor was appointed as Whole Time Director, designated as Executive Director of Balaji Motion Pictures Limited, the wholly owned subsidiary the Company for a period of three years commencing from August 1, 2007. His present term of appointment expires on July 31, 2010.

Mr. Kapoor, is a management graduate from the University of Michigan. A reputed actor on the big screen, Mr Kapoor brings with him the experience of the film industry.

Considering the progress made by the Company under the able guidance and supervision of Mr. Kapoor, it is proposed to re-appoint Mr. Tusshar Kapoor as Whole Time Director, designated as Executive

Director of Balaji Motion Pictures Limited, the wholly owned subsidiary the Company for a period of three years commencing from August 1, 2010 on the existing terms and conditions.

By order of the Board of Directors

Alpa Khandor Company Secretary

July 19, 2010 Mumbai

Registered 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

Mr. Jeetendra Kapoor was first appointed on the Board on February 1, 2000. He is a commerce graduate from the University of Bombay. He is one of the few Indian actors who has many Silver Jubilee hits to his credit. His standing in the entertainment industry is useful in building and retaining relationships with various television channels, artists, directors and writers.

Mr. Jeetendra Kapoor holds 43,92,000 equity shares in the Company constituting 6.74% of the paid up equity capital of the Company.

Directorships	Committee Memberships
Balaji Telefilms Limited	Member - Audit Committee Chairman - Shareholders' Committee Member - Remuneration Committee
Balaji Motion Pictures Limited	Member - Audit Committee Member - Remuneration Committee
Balaji Films & Telly Investments Limited	
Balaji Digimedia Private Limited	
Balaji D2C Systems Private Limited	
Balaji Teledevelopers Private Limited	

Mr. Dhruv Kaji was first appointed on the Board on September 2, 2002. Mr. Kaji holds a Bachelor's degree in Commerce from the University of Mumbai and is an Associate Member of the Institute of Chartered Accountants of India. He had been associated with Raymond Ltd.. as Finance Director. He also held position of Executive Director, Pinesworth Holding Ltd., Singapore. At present, he is practicing as a financial advisor and management consultant. His vast experience in the field of finance, adds to the strength of the Board.

Mr. Dhruv Kaji does not hold any share in the Company.





Directorships	Committee Memberships
Balaji Telefilms Limited	Member - Audit Committee Member - Remuneration Committee
Balaji Motion Pictures Limited	Chairman - Remuneration Committee, Member - Audit Committee
Diamines and Chemicals Limited	Member - Audit Committee
Pashmina Holdings Ltd.	
Colorplus Fashions Pvt. Ltd.	

Mr. D G Rajan, Chartered Accountant, is a Fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of India. He was a Partner of Lovelock & Lewes, Chartered Accountants from 1967 and retired therefrom as a Senior Partner in 1990. He was also President of the Management Consultants Association of India, Chairman of the Southern Region of the Indian Paint Association, Chairman of Direct Taxation Committee of Southern India Chamber of Commerce and Industry, Governor of The Doon School. Presently, he is Advisor and Management Consultant to many domestic and international Groups.

Mr. D. G. Rajan holds 300 equity shares in the Company constituting 0.00% of the paid up equity capital of the Company.

Directorships	Committee Memberships					
Balaji Telefilms Limited	Member - Audit Committee					
Solvay Pharma India Ltd.	Chairman - Share Transfer Committee Chairman - Audit committee and Chairman - Shareholders Grievance Committee					
Lotte India Corporation Ltd.	Chairman - Audit Committee					
IFGL Refactories Ltd.	Member - Audit Committee Member - Remuneration Committee					
India Blue Mountains Management Ltd.						
Brilliant Paints (Tenkasi) Pvt. Ltd.						
Solvay Specialities India Pvt. Ltd.						
Rajan Cosmetics (Madras) Pvt. Ltd.						
Blue Mountains Real Estate Advisors Pvt. Ltd.						
Belaire Hotels Private Ltd.						
India Capital Research Services Pvt. Ltd.						
Blue Ridge Hotels Pvt. Ltd.						
Aquamarine Resorts Pvt. Ltd.						
Altran Technologies India Pvt. Ltd.						
Aamiya Reality Pvt. Ltd.						
Centa Hotels Pvt. Ltd.						
Equitas Housing Finance Pvt. Ltd.						

DIRECTORS

Mr. Jeetendra Kapoor

Ms. Shobha Kapoor

Ms. Ekta Kapoor

Mr. Akhshay Chudasama

Mr. Dhruv Kaji

Mr. Pradeep Sarda

GROUP CEO

Mr. Puneet Kinra

CHIEF FINANCIAL OFFICER

Mr. Srinivasa Shenoy

COMPANY SECRETARY

Ms. Alpa Khandor

STATUTORY AUDITORS

Deloitte Haskins & Sells

Snehal & Associates

INTERNAL AUDITORS

PSK & Associates

INFORMATION

REGISTERED OFFICE

Balaji Telefilms Limited

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

REGIONAL OFFICES

Bangalore

Old No. 2916/E, New No. 23, 1st Cross, 2nd Stage Vijaynagar, Bangalore - 560 040

Trivandrum

Ishara, T.C. 36/589 Perumthanni, Vallakkadavu, P.O. Trivandrum - 695 008

Chennai

Plot No 38, KK Salai Kavery Rangan Nagar, Saligramam, Chennai - 600 093

Hyderabad

Plot No. 328, Road No. 79, Rama Naidu Studio Lane, Filmnagar, Jubilee Hills Hyderabad - 500 004



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ATTENDANCE SLIP

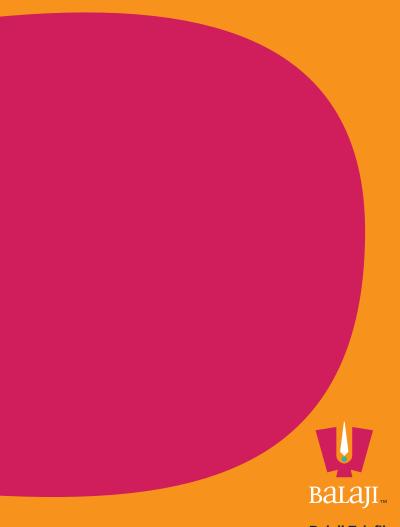
PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP.Id*] [Folio No.						
Client Id*									
Number of Shares	s Of The Shareholderheld:								
p.m. at "The Club',	197, D. N. Nagar, Andheri (West), Mu	ımbai - 400 053.							
-		_		ompany. s slips will not be issued at the entrance					
* Applicable for	Investors holding Shares in electronic	form.		OF THE SHAREHOLDER / PROXY					
Balaji Telefilms Limited Regd. Office: C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West) Mumbai – 400 053. Tel: +91 22 4069 8000 Fax: +91 22 4069 8181 / 82 Website: www.balajitelefilms.com PROXY FORM									
DP.Id*			Folio No.						
Client Id*				,					
	embers of Balaji Telefilms Ltd. hereby								
of									
or (failing him)									
as my/our Proxy to Friday, August 27, thereof.	attend and vote for me/us and on my 2010 at 4:30 p.m. at "The Club', 197, I	our behalf at the	Annual General	Meeting of the Company to be held on bai - 400 053, and at any adjournment					
Signea this	day of2010		A 55'						
Signature			Affix revenue ··· stamp						

Note: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

*Applicable for Investors holding shares in electronic form.





Balaji Telefilms Limited

C13, Balaji House, Dalia industrial Estate Opposite Laxmi Industries, New Link Road Andheri (West), Mumbai – 400 053.

www.balajitelefilms.com