

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Balaji Motion Pictures Limited

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Report on the Financial Statements

We have audited the accompanying financial statements of Balaji Motion Pictures Limited (the Company), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order Under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

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relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20.1 to the financial statements;
 - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



A B Jani
Partner

(Membership No. 46488)

Mumbai, Dated: May 17, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Re: Balaji Motion Pictures Limited

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Balaji Motion Pictures Limited (the Company) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



A. B. Jani
Partner
(Membership No. 46488)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Re: Balaji Motion Pictures Limited

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the order is not applicable.
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any investments. Therefore, clause (iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Therefore, clause (v) of the Order is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order regarding maintenance of cost records is not applicable to the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) There were no disputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2016.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any borrowings from the banks, financial institutions and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



A B Jani
Partner
(Membership No. 46488)

Mumbai, Dated: May 17, 2016

EALAJI MOTION PICTURES LIMITED
Balance Sheet As at March 31, 2016

	Note No.	As at	As at
		March 31, 2016	March 31, 2015
		₹ in Lacs	₹ in Lacs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,000.00	3,000.00
(b) Reserves and surplus	4	(7,758.41)	(4,544.30)
		(4,758.41)	(1,544.30)
2 Current liabilities			
(a) Short-term borrowings	5	21,840.96	9,981.75
(b) Trade payables			
(i) total outstanding dues of micro and small enterprises		-	-
(ii) total outstanding dues of creditors of other than micro and small enterprises	20.3	254.27	289.32
(c) Other current liabilities	6	1,524.89	207.57
		23,620.12	10,478.64
TOTAL		18,861.71	8,934.34
B ASSETS			
1 Non-current assets			
(a) Fixed assets	7		
Tangible assets		336.90	397.84
(b) Long-term loans and advances	8	4,964.93	3,794.69
		5,301.83	4,192.53
2 Current assets			
(a) Inventories	9	10,516.07	2,238.50
(b) Trade receivables	10	41.76	138.78
(c) Cash and cash equivalents	11	59.56	252.85
(d) Short-term loans and advances	12	2,941.94	2,111.68
(e) Other current assets	13	0.55	-
		13,559.88	4,741.81
TOTAL		18,861.71	8,934.34
See accompanying notes forming part of the financial statements.			

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BALAJI MOTION PICTURES LIMITED
Balance Sheet as at March 31, 2016

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

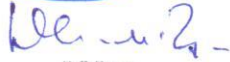


A. B. Jani
(Partner)
Place: Mumbai
Date: May 17, 2016

For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



D. G. Rajan
(Director)



Ritu Verma
(Company Secretary)
Place: Mumbai
Date: May 17, 2016



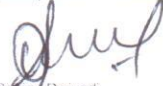
Shobha Kapoor
(Director)



Ekta Kapoor
(Managing Director)



Sameer Nair
(Group Chief Executive Officer)



Sanjay Dwivedi
(Group Chief Financial Officer)

BALAJI MOTION PICTURES LIMITED
Statement of Profit and Loss for the year period ended March 31, 2016

Particulars		Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
			₹ in Lacs	₹ in Lacs
1	Revenue from Operations	14	2,281.54	10,976.30
2	Other income	15	16.57	97.28
3	Total Revenue (1+2)		2,298.11	11,073.58
4	Expenses			
	(a) Cost of films produced / acquired / distributed	16	3,152.44	10,265.04
	(b) Employee benefits expense	17	437.69	505.63
	(c) Finance costs	18	1,062.03	1.21
	(d) Depreciation / Amortisation expense (Refer note 20.15)	7	62.94	63.62
	(e) Other expenses	19	797.12	774.17
	Total Expenses		5,512.22	11,609.67
5	Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		(3,214.11)	(536.09)
5	(Loss) for the year (5-6)		(3,214.11)	(536.09)
6	Earnings per equity share (of ₹10 /- each):			
	Basic and diluted earnings per share		(10.71)	(1.79)
See accompanying notes forming part of the financial statements.				

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BALAJI MOTION PICTURES LIMITED
Statement of Profit and Loss for the year ended March 31, 2016

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 17, 2016

For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



Shobha Kapoor
(Director)



Eka Kapoor
(Managing Director)



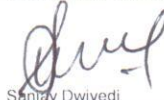
D. G. Rajan
(Director)



Sameer Nair
(Group Chief Executive Officer)



Ritu Verma
(Company Secretary)
Place : Mumbai
Date : May 17, 2016



Sanjay Dwivedi
(Group Chief Financial Officer)

BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2016

Particulars	For the Year Ended March 31, 2016		For the Year Ended March 31, 2015	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax		(3,214.11)		(536.09)
<i>Adjustment for:</i>				
Depreciation / Amortisation	62.94		63.62	
Finance cost	1,062.03		-	
Interest income on fixed deposit with bank	(1.66)		(0.09)	
Excess provision for earlier years written back	-		(6.63)	
Excess provision for gratuity written back	(0.30)		-	
Advances written off	-		142.51	
Bad debts written off	53.78		-	
Sundry Credit balance written back	(32.55)		-	
Operating (loss) before working capital changes		1,144.24		199.41
(Increase) in trade and other receivables	(1,957.80)		(834.43)	
(Increase) / Decrease in inventories	(8,277.58)		3,633.27	
Increase (decrease) in trade and other payables	253.64		(1,595.37)	
		(9,981.74)		1,203.47
Net cash flow (used in) / from operating activities (A)		(12,051.61)		866.79
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(2.00)		(304.23)	
Bank Balance not considered as cash and cash equivalents (Refer Note 11)	(33.38)			
Interest Received	1.11		0.09	
Net cash flow (used in) investing activities (B)		(34.27)		(304.14)
C. Cash Flow from Financing Activities				
Proceeds from short-term borrowings	12,800.90		5,187.23	
Repayment of short-term borrowings	(941.69)		(6,170.85)	
Net cash flow (used in) financing activities (C)		11,859.21		(983.62)
Net (decrease) in cash and cash equivalents (A+B+C)		(226.67)		(420.97)
Cash and cash equivalents at the beginning of the year		252.85		673.82
Cash and cash equivalents at the end of the year		26.18		252.85
See accompanying notes forming part of the financial statements.				
Note:				
(i) Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 11)				
	As at March 31, 2016		As at March 31, 2015	
	₹ in Lacs		₹ in Lacs	
(ii) Cash and cash equivalents at the end of the year as per cashflow statement				
- Fixed deposits kept in lien agnst bank gurantee		26.18		252.85
Cash and cash equivalents at the end of the year as per Note 11		33.38		-
		59.56		252.85

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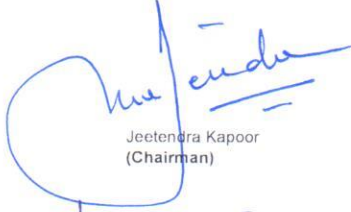
BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2016

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

For and on behalf of the Board of Directors



A. B. Jani
(Partner)
Place : Mumbai
Date : May 17, 2016



Jeetendra Kapoor
(Chairman)



Shobha Kapoor
(Director)

Ekta Kapoor
(Managing Director)



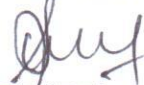
D.G. Rajan
(Director)



Sameer Nair
(Group Chief Executive Officer)



Ritu Verma
(Company Secretary)
Place : Mumbai
Date : May 17, 2016



Sanjay Dwivedi
(Group Chief Financial Officer)

BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Corporate information

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

Note 2

Significant accounting policies

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013.

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold improvements are depreciated over the period of lease on a straight line basis.

Impairment loss

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

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BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Inventories

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

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

Revenue recognition

In respect of films produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.

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

Employee benefits

a) Post employment benefits and other long term benefits

- i) Defined Contribution Plans:
The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.
- ii) Defined Benefit Plans:
The trustees of Balaji Motion Pictures Limited Employees Group Gratuity Scheme have taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

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

b) Short-term Employee Benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

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BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Foreign currency transactions

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

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Operating leases

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

Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India (ICAI).

Provisions and Contingencies

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 3 Share Capital

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Laacs	₹ in Laacs
Authorised 35,000,000 Equity shares of ₹10/ each		
	3,500.00	3,500.00
Total	3,500.00	3,500.00
Issued, Subscribed and fully paid-up 30,000,000 Equity shares of ₹10/ each (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)		
	3,000.00	3,000.00
Total	3,000.00	3,000.00

Note:

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(Deficit) in Statement of Profit and Loss		
Opening balance	(4,544.30)	(4,006.57)
Less: Depreciation on account of transitional provision of Schedule II to the Companies Act, 2013 (Refer note 20.15)	-	(1.64)
Add: (Loss) for the year	(3,214.11)	(536.09)
Total	(7,758.41)	(4,544.30)

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 5 Short-Term Borrowings

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Laacs	₹ in Laacs
Loans and advances from Holding Company (Unsecured) (Refer note 20.4(b))	21,840.96	9,981.75
Total	21,840.96	9,981.75

Note: Loans from Holding Company bears an interest rate of 8% per annum, simple interest on reducing balance basis and is repayable on demand unless otherwise agreed by the parties in writing.

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 6 Other current liabilities

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Interest accrued and due on loan from holding company (Refer note below)	980.09	-
(b) Other payables		
(i) Statutory liabilities	33.15	3.12
(ii) Advances from customers	511.65	204.45
Total	1,524.89	207.57

Note: The interest on loan given by Holding Company is at 8% per annum, simple interest payable on demand or on settlement of loan, whichever is earlier.

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 7 Fixed assets

Fixed Assets	Gross Block			Depreciation / Amortisation				Net Block		
	As at April 01, 2015	Additions	Deletions	As at March 31, 2016	Upto March 31, 2015	For the year	On Deduction	Adjusted in reserves	Upto March 31, 2016	As at March 31, 2016
Tangible Assets										
Computers	19.79 (19.79)	2.00 (-)	- (-)	21.79 (19.79)	12.60 (6.45)	5.42 (5.31)	- (-)	- (0.84)	18.02 (12.60)	3.77 (7.19)
Office Equipment	43.51 (39.48)	- (4.03)	- (-)	43.51 (43.51)	11.16 (1.54)	9.38 (9.62)	- (-)	- (-)	20.54 (11.16)	22.97 (32.35)
Plant and Machinery - Computer	17.30 (17.30)	- (-)	- (-)	17.30 (17.30)	17.29 (16.05)	0.01 (0.44)	- (-)	- (0.80)	17.30 (17.29)	- (0.01)
Plant and Machinery - Others	215.39 (69.19)	- (146.20)	- (-)	215.39 (215.39)	20.41 (6.18)	16.35 (14.23)	- (-)	- (-)	36.76 (20.41)	178.63 (194.98)
Furniture and Fixtures	7.85 (7.85)	- (-)	- (-)	7.85 (7.85)	0.94 (0.08)	0.86 (0.86)	- (-)	- (-)	1.80 (0.94)	6.05 (6.91)
Lease Hold improvements	68.29 (68.29)	- (-)	- (-)	68.29 (68.29)	56.83 (34.11)	11.46 (22.72)	- (-)	- (-)	68.29 (56.83)	- (11.46)
Vehicles	155.52 (1.52)	- (154.00)	- (-)	155.52 (155.52)	10.58 (0.14)	19.46 (10.44)	- (-)	- (-)	30.04 (10.58)	125.48 (144.94)
Total	527.65 (223.42)	2.00 (304.23)	- (-)	529.65 (527.65)	129.81 (64.55)	62.94 (63.62)	- (-)	- (1.64)	192.75 (129.81)	336.90 (397.84)

Note:

Figures in brackets denote previous year figures

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 8 Long-term loans and advances (unsecured, considered good)

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Security Deposits (refer note below)	201.00	201.00
(b) Advance to vendors	3,909.22	2,835.56
(c) Advance income- tax (Net of provisions ₹ 101.94 lacs (as at March 31, 2014, ₹ 101.94 lacs))	854.71	758.13
Total	4,964.93	3,794.69

Note: Security Deposits includes:

(a) Deposits given to two of the Directors for the properties taken on lease from them (also refer note 20.4 (b))

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year-end	200.00	200.00
Maximum amount outstanding at any time during the year for the above deposits.	200.00	200.00

(b) Deposits given to Holding company for the properties taken on lease from the holding company (also refer note 20.4 (b))

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year-end	1.00	1.00

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 9 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Laacs	₹ in Laacs
Films	10,516.07	2,238.50
Total	10,516.07	2,238.50

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 10 Trade receivables (unsecured, considered good)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
Trade receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment	26.56	137.41
(b) Other Trade receivables	15.20	1.37
Total	41.76	138.78

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 11 Cash and cash equivalents

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Cash on hand	2.33	4.76
(b) Balances with banks		
(i) In Current accounts	23.85	247.55
(ii) In Fixed deposits with bank	-	0.54
(iii) In earmarked accounts		
- Fixed deposits kept in lien against bank guarantee	33.38	-
Total	59.56	252.85
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	26.18	252.85

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 12 Short-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2016	As at March 31, 2015
	₹ in Laacs	₹ in Laacs
(a) Security Deposit	33.00	35.00
(b) Loans and advances to employees	-	0.12
(c) Prepaid expenses	19.07	17.57
(d) Balances with government authorities (VAT, service tax etc.)	1,271.81	437.98
(d) Recoverable from co-producer	193.41	-
(e) Advance to vendors	1,424.65	1,621.01
Total	2,941.94	2,111.68

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 13 Other Current Assets (Unsecured, considered good)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Interest accrued on fixed deposits with banks	0.55	-
Total	0.55	-

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 14 Revenue from operations

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ in Lacs	₹ in Lacs
Sale of Services		
Sale of Film rights	2,248.99	10,919.28
Other Operating Income		
Sundry Credit balances written back	32.55	-
Recovery of advances written-off	-	57.02
Total	2,281.54	10,976.30

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 15 Other income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ in Lacs	₹ in Lacs
(a) Interest income		
On Fixed Deposit with bank	1.66	0.09
On Income-tax refund	-	32.92
On Capital advance given to related party	-	56.27
(b) Excess Provision for Gratuity written back (net)	0.30	6.63
(c) Foreign Exchange Gain (net)	0.39	1.37
(d) Insurance Claim received	14.22	-
Total	16.57	97.28

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 16 Cost of Film Produced / Acquired / Distributed

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	₹ in Laacs		₹ in Laacs	
Opening stock of films		2,238.50		5,871.76
<u>Add. Cost of production / acquisition/ distribution</u>				
Acquisition Cost	154.42		161.98	
Purchase of costumes and dresses	177.92		47.01	
Purchase of tapes / raw stock / negative	49.28		98.12	
Artistes, Directors and other technician fees	2,517.95		1,530.47	
Shooting and location expenses (Refer Note 20.10)	1,161.06		758.58	
Set properties and equipment hire charges	603.02		365.82	
Insurance expense	63.49		11.50	
Line production cost	5,184.72		1,105.05	
Marketing and Distribution Expenses	944.98		2,171.59	
Other production expenses	573.17		381.66	
		11,430.01		6,631.78
		13,668.51		12,503.54
Less: Closing stock of films		10,516.07		2,238.50
TOTAL		3,152.44		10,265.04

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 17 Employee Benefits Expense

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ in Lacs	₹ in Lacs
Salaries and wages	412.87	477.19
Contributions to Provident and Other Funds	20.92	21.69
Staff welfare expenses	3.90	6.75
Total	437.69	505.63

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 18 Finance cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ in Lacs	₹ in Lacs
Interest on delayed payment of taxes etc.	-	1.21
Interest to related party on loan	1,062.03	-
Total	1,062.03	1.21

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 19 Other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹ in Lacs	₹ in Lacs
Power and fuel	6.26	10.41
Rent including lease rentals (Refer Note 20.10)	42.34	90.49
Repairs and maintenance - Machinery	13.54	5.60
Repairs and maintenance - Others	23.08	24.71
Rates and taxes	45.24	3.97
Communication expenses	0.65	6.15
Legal and Professional charges	458.13	348.01
Business promotion expenses	44.01	44.53
Travelling and Conveyance Expenses	17.88	14.98
Donations and contributions	-	0.41
Directors Sitting Fees	15.50	4.75
Bad debts written off	53.78	-
Advances written off	-	142.51
Miscellaneous expenses *	76.71	77.65
Total	797.12	774.17

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards

20.1 The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings. Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹ 265.80 lacs from their customers and deposited the same 'under protest' with the authorities.

20.2 Auditors Remuneration

	For the year ended	For the year ended
	March 31, 2016	March 31, 2015
	₹ in Lacs	₹ in Lacs
For Statutory Audit	7.00	9.70
For Tax Audit	-	1.00
For expenses	-	-
For Taxation matters	-	2.50
For Other services - certification etc.	10.30	-
Reimbursement of expenses	0.70	0.27
For Service tax	2.61	1.66
Total	20.61	15.13

Note: Amounts pertaining to the previous year relate to payments made to previous joint auditors.

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

20.4 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Marinating films Private Limited	Fellow Subsidiary
Bolt Media Limited	Fellow Subsidiary
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence
M/s. J K Developers	Sole proprietary firm of a Key management person

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

Note

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

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Key Management Person having significant influence	Company owned by Relative of Key Management Person	Sole proprietary firm of a Key management person	₹ in Lacs
							Total
Loan Received							
Balaji Telefilms Limited	12,800.90	-	-	-	-	-	12,800.90
	(5,187.23)	(-)	(-)	(-)	(-)	(-)	(5,187.23)
Loan Repaid							
Balaji Telefilms Limited	941.69	-	-	-	-	-	941.69
	(6,170.85)	(-)	(-)	(-)	(-)	(-)	(6,170.85)
Interest accrued							
Balaji Telefilms Limited	980.09	-	-	-	-	-	980.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rent Paid							
Mr. Jeetendra Kapoor	-	16.48	-	-	-	-	16.48
	(-)	(15.55)	(-)	(-)	(-)	(-)	(15.55)
Ms. Ekta Kapoor	-	14.03	-	-	-	-	14.03
	(-)	(13.24)	(-)	(-)	(-)	(-)	(13.24)
Equipment Hire charges							
Balaji Telefilms Limited	-	-	-	-	-	-	-
	(4.68)	(-)	(-)	(-)	(-)	(-)	(4.68)
Capital Advances returned							
M/s. J K Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(400.00)	(400.00)
Interest received on capital advances							
M/s. J K Developers	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(56.27)	(56.27)
Purchase of rights							
Balaji Telefilms Limited	-	-	-	-	-	-	-
	(62.00)	(-)	(-)	(-)	(-)	(-)	(62.00)
Balaji Films & Telly Investments Limited	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(101.00)	(-)	(101.00)
Directors sitting fees							
Mr. Jeetendra Kapoor	-	2.25	-	-	-	-	2.25
	(-)	(0.85)	(-)	(-)	(-)	(-)	(0.85)
Mr. Tushar Kapoor	-	1.75	-	-	-	-	1.75
	(-)	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Remuneration							
Ms. Ekta Kapoor	-	78.59	-	-	-	-	78.59
	(-)	(124.35)	(-)	(-)	(-)	(-)	(124.35)
Artist fees							
Mr. Tusshar Kapoor	-	50.00	-	-	-	-	50.00
	(-)	(50.00)	(-)	(-)	(-)	(-)	(50.00)
Legal and Professional charges							
Mr. Ramesh Sippy	-	-	-	-	-	-	-
	(-)	(-)	(1.20)	(-)	(-)	(-)	(1.20)
Sale of film rights							
Raksha Entertainment Pvt Ltd	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(31.39)	(-)	(31.39)

(c) Closing balances as at March 31, 2016

Loan payable As at March 31, 2016							
Balaji Telefilms Limited	21,840.96	-	-	-	-	-	21,840.96
	(9,981.75)	(-)	(-)	(-)	(-)	(-)	(9,981.75)
Interest accrued and due As at March 31, 2016							
Balaji Telefilms Limited	980.09	-	-	-	-	-	980.09
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Amount payable As at March 31, 2016							
Balaji Telefilms Limited	58.90	-	-	-	-	-	58.90
	(58.90)	(-)	(-)	(-)	(-)	(-)	(58.90)
Amount receivable As at March 31, 2016							
Mr. Jeetendra Kapoor*	-	100.00	-	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor*	-	100.00	-	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Balaji Telefilms Limited	1.00	-	-	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(-)	(-)	(1.00)
Raksha Entertainment Pvt Ltd	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(9.76)	(-)	(9.76)

(i) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.

(ii) Figures in bracket relate to the previous year.

* Deposit for leased property

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

20.5 Earnings in foreign currency

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Sale of Film Rights	129.07	813.63

20.6 Expenditure in foreign currency

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Line Production Charges	2,628.97	155.96
Set properties and equipment hire charges	-	225.10
Shooting and location expenses	-	285.34
Artists, Directors and other technician fees	74.87	36.16
Travelling and Conveyance Expenses	59.88	34.98
Other Production Expenses	34.00	58.79

20.7 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 20.91 Lacs (previous year ₹ 21.68 Lacs).

b) a) Defined Benefit Plans

i) Reconciliation of asset / (liability) recognized in the Balance Sheet (under Prepaid Expenses refer Note 12)

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
Fair Value of plan assets as at the end of the year	16.83	15.53
Present Value of Obligation as at the end of the year	(5.53)	(4.53)
Net (assets) / liability in the Balance Sheet	11.30	(11.00)

ii) Movement in net liability recognized in the Balance Sheet

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
Net (assets)/liability as at the beginning of the year	(11.00)	(4.21)
Net expense recognized in the Statement of Profit and Loss	(0.30)	(6.79)
Contribution during the year	-	-
Net liability/(assets) in the Balance Sheet	(11.30)	(11.00)

iii) Expense Recognized in the Statement of profit and loss (Under the head "Employee benefits expenses" refer Note 17)

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Current Service Cost	1.67	4.60
Interest Cost	(0.89)	(1.55)
Expected Return on Plan assets	1.25	1.24
Actuarial (gains)/losses	(2.33)	(11.08)
Expense / (gain) charged to the Statement Profit and Loss	(0.30)	(6.79)

iv) Return on Plan Assets

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Expected return on plan assets	1.26	1.24
Actuarial gains / (losses)	0.04	0.04
Actual return on plan assets	1.30	1.28

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

V Reconciliation of defined benefits commitments

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Commitments at beginning of the year	4.53	10.03
Current Service Cost	1.67	4.60
Interest Cost	0.89	0.93
Actuarial (gains)/losses	(1.09)	(11.04)
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	5.53	4.53

VI Reconciliation of plan assets

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Fair Value of plan assets at beginning of the year	15.53	14.25
Expected return on plan assets	1.26	1.24
Actuarial gains/(losses)	0.04	0.04
Employer contribution	-	-
Benefits paid	-	-
Fair Value of plan assets at year end	16.83	15.53

VII Experience Adjustment

	For the year 2015- 2016 ₹ in Lacs	For the year 2014-2015 ₹ in Lacs	For the year 2013- 2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs	For the year 2011- 2012 ₹ in Lacs
On Plan liability (gains) / losses	(1.15)	(11.84)	(4.32)	0.14	(0.31)
On Plan assets gains / (losses)	0.04	0.04	0.37	0.16	0.24

VIII Actuarial Assumptions

	For the year ended March 31, 2016 ₹ in Lacs	For the year ended March 31, 2015 ₹ in Lacs
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.96%	8.09%
Expected Rate of return on Plan assets (per annum)	7.96%	8.09%
Rate of escalation in Salary(per annum)	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

Composition of plan assets

	For the year ended March 31, 2016	For the year ended March 31, 2015
Insurer managed funds	100%	100%

20.8 Earning per share

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
(a) (Loss) for the year attributable to equity share holders (₹ in Lacs)	(3,214.11)	(536.10)
(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 (₹)	(10.71)	(1.79)
(d) Nominal value of shares (₹)	10	10

20.9 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid AS 22.

20.10 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 32.61 Lacs (previous year ₹79.12 Lacs).

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

20.11 Segment Information

(A) Information about primary segments

The primary segment of the Company is business segment which comprises of carrying on the business of production and / or distribution of motion pictures and films. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

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

During the current year, the Company in view of similar risks and rewards, has considered its operations under one geographical segment and hence disclosure relating to geographical segment for current year are not given.

20.12 The Company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses.

20.13 The accumulated losses of ₹ 7,758.41 Lacs as at March 31, 2016 have fully eroded the networth of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 20.4 (b)) as sanctioned by the Board and its future profitability. The Company has identified the Film Business as its strategic growth area for the group and has various projects currently under production/development and the management is fully confident about the long-term profitability of its movie businesses which has a long gestation period in terms of setting up various in-house functions for optimal utilization of resources, scalability and its monetization.

20.14 On April 30, 2013 the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. Pursuant to the notices under Section 153A of Income-tax Act, 1961 the assessments for all the relevant assessment years were completed by the Department during the quarter ended June 30, 2015. Further, the Company has filed applications for rectification of two Assessment Orders which had discrepancies, which is pending with the Department.

20.15 During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 1.64 lacs against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 13.40 lacs and loss after tax for the year is higher by ₹ 13.40 lacs consequent to the change in the useful life of the assets.

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

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DHS LLP

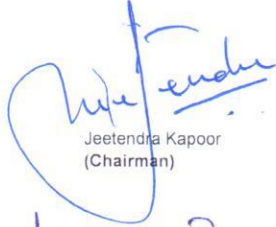
Signatures to notes 1 to 20

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 17, 2016

For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



D.G. Rajan
(Director)



Ritu Verma
(Company Secretary)
Place : Mumbai
Date : May 17, 2016

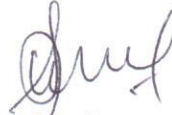


Shobha Kapoor
(Director)

Ekta Kapoor
(Managing Director)



Sameer Nair
(Group Chief Executive Officer)



Sanjay Divivedi
(Group Chief Financial Officer)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BALAJI MOTION PICTURES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Balaji Motion Pictures Limited (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the

operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to Note 20.12 of the financial statements regarding remuneration paid to the Managing Director which is in excess of the relevant provisions of the Act by Rs.48.31 lacs for which the Central Government approval is awaited, as explained in the note.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20.1 to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

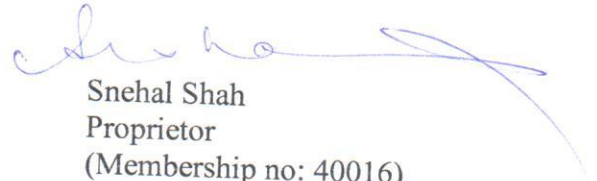
(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



A B Jani
Partner
(Membership No. 46488)
Mumbai, Dated: May 20, 2015

For Snehal & Associates
Chartered Accountants
(Registration no: 110314W)



Snehal Shah
Proprietor
(Membership no: 40016)
Mumbai, Dated: May 20, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re: Balaji Motion Pictures Limited

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

- (i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) The activities of the Company and the nature of its business do not involve the use of inventory (i.e. goods). Accordingly clause (ii) of paragraph 3 of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- (iv) 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 for the purchase of fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) The Company has not accepted deposits from the public during the year.
- (vi) According to the information and explanations given to us, in our opinion, the Company has, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost records and audit) Rules, 2014, as amended by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. We, however, have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

AKP

- (c) There were no dues of Income-tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company at the end of the financial year are not less than fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) 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.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



A B Jani
Partner
(Membership No. 46488)

Mumbai, Dated: May 20, 2015

For Snehal & Associates
Chartered Accountants
(Registration no: 110314W)



Snehal Shah
Proprietor
(Membership no: 40016)

Mumbai, Dated: May 20, 2015

BALAJI MOTION PICTURES LIMITED
Balance Sheet As at March 31, 2015

	Note No.	As at March 31, 2015	As at March 31, 2014
		₹ in Laacs	₹ in Laacs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,000.00	3,000.00
(b) Reserves and surplus	4	(4,544.30)	(4,006.57)
		(1,544.30)	(1,006.57)
2 Current liabilities			
(a) Short-term borrowings	5	9,981.75	10,965.37
(b) Trade payables	20.3	289.32	744.24
(c) Other current liabilities	6	207.57	1,353.01
		10,478.64	13,062.62
TOTAL		8,934.34	12,056.05
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	7	397.84	158.87
(b) Long-term loans and advances	8	3,794.69	2,809.34
		4,192.53	2,968.21
2 Current assets			
(a) Inventories	9	2,238.50	5,871.76
(b) Trade receivables	10	138.78	679.18
(c) Cash and cash equivalents	11	252.85	673.82
(d) Short-term loans and advances	12	2,111.68	1,713.69
(e) Other current assets	13	-	149.39
		4,741.81	9,087.84
TOTAL		8,934.34	12,056.05
See accompanying notes forming part of the financial statements.			

ADIP

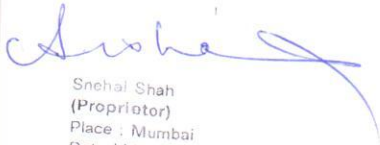
BALAJI MOTION PICTURES LIMITED
Balance Sheet as at March 31, 2015

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 20, 2015

For Snehal & Associates
Chartered Accountants

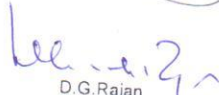


Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 20, 2015

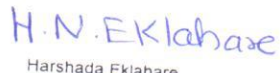
For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



D.G. Rajan
(Director)




H.N. Eklahare
(Company Secretary)
Place : Mumbai
Date : May 20, 2015



Shobha Kapoor
(Director)



Sameer Nair
(Group Chief Executive Officer)



Sanjay Dwivedi
(Group Chief Financial Officer)



Ekta Kapoor
(Managing Director)

BALAJI MOTION PICTURES LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

Particulars		Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
			₹ in Lacs	₹ in Lacs
1	Revenue from Operations			
2	Other income	14	10,976.30	27,169.34
3	Total Revenue (1+2)	15	97.28	9.31
4	Expenses		11,073.58	27,178.65
	(a) Cost of films produced / acquired / distributed	16	10,265.04	28,113.36
	(b) Employee benefits expense	17	505.63	778.20
	(c) Finance costs	18	1.21	18.45
	(d) Depreciation / Amortisation expense (Refer note 20.14)	7	63.62	35.18
	(e) Other expenses	19	774.17	860.94
	Total Expenses		11,609.67	29,806.13
5	(Loss) for the year (5-6)		(536.09)	(2,627.48)
6	Earnings per equity share (of ₹10 /- each):			
	Basic and diluted earnings per share	20.8	(1.79)	(8.76)
	See accompanying notes forming part of the financial statements.			

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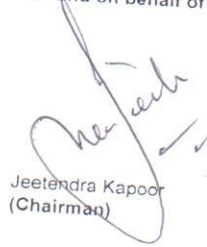
BALAJI MOTION PICTURES LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

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

For and on behalf of the Board of Directors



A. B. Jani
(Partner)
Place : Mumbai
Date : May 20, 2015



Jeetendra Kapoor
(Chairman)

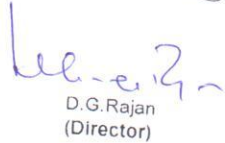


Shobha Kapoor
(Director)



Ekta Kapoor
(Managing Director)

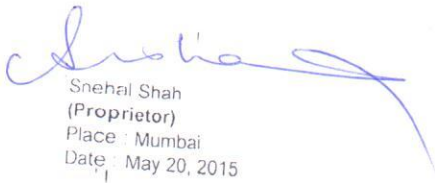
For Snehal & Associates
Chartered Accountants



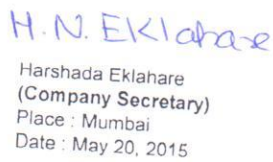
D.G. Rajan
(Director)



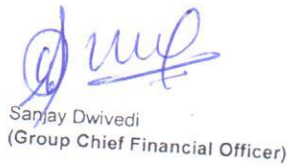
Sameer Nair
(Group Chief Executive Officer)



Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 20, 2015



Harshada Eklahare
(Company Secretary)
Place : Mumbai
Date : May 20, 2015



Sanjay Dwivedi
(Group Chief Financial Officer)

BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2015

Particulars	For the Year Ended March 31, 2015		For the Year Ended March 31, 2014	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. Cash Flow from Operating Activities				
(Loss) before tax		(536.09)		(2,627.48)
<i>Adjustment for:</i>				
Depreciation / Amortisation			35.18	
Interest income on fixed deposit with bank	63.62		(6.17)	
Excess provision for earlier years written back	(0.09)		(3.14)	
Advances written off	(6.63)			
Loss on fixed asset written off	142.51		0.55	
Loss on sale of fixed asset	-		0.06	
Operating (loss) before working capital changes	(336.68)		(2,601.00)	
(Increase) in trade and other receivables				
Decrease/ (Increase) in inventories	(834.43)		(2,136.17)	
Increase (decrease) in trade and other payables	3,633.27		8,806.31	
Net cash flow from/ (used in) operating activities (A)	(1,595.37)	866.79	209.30	4,278.44
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(304.23)		(122.24)	
Sale of fixed assets	-		1.30	
Interest Received	0.09		6.17	
Net cash flow (used in) investing activities (B)		(304.14)		(114.77)
C. Cash Flow from Financing Activities				
Proceeds from short-term borrowings	5,187.23		10,316.23	
Repayment of short-term borrowings	(6,170.85)		(13,922.70)	
Net cash flow (used in) financing activities (C)		(983.62)		(3,606.47)
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(420.97)		557.20
Cash and cash equivalents at the beginning of the year		673.82		116.62
Cash and cash equivalents at the end of the year		252.85		673.82
See accompanying notes forming part of the financial statements.				

Note:
Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 11)

ASMP

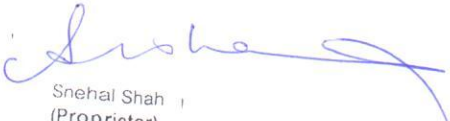
BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2015

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



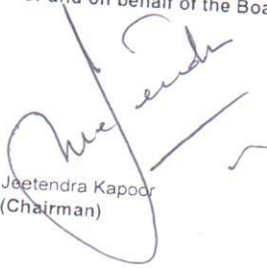
A. B. Jani
(Partner)
Place: Mumbai
Date: May 20, 2015

For Snehal & Associates
Chartered Accountants

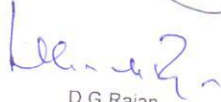


Snehal Shah
(Proprietor)
Place: Mumbai
Date: May 20, 2015

For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



D.G. Rajan
(Director)



Shobha Kapoor
(Director)



Ekta Kapoor
(Managing Director)



Sameer Nair
(Group Chief Executive Officer)



Sanjay Dwivedi
(Group Chief Financial Officer)



Harshada Eklahare
(Company Secretary)
Place: Mumbai
Date: May 20, 2015

BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Corporate information

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

Note 2

Significant accounting policies

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable.

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are depreciated over the period of lease on a straight line basis.

Impairment loss

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to Statement of Profit and Loss in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

AS/CP

BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Inventories

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

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

Revenue recognition

In respect of films produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films. In other cases, revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

Employee benefits

a) Post employment benefits and other long term benefits

- i) **Defined Contribution Plans:**
The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.
- ii) **Defined Benefit Plans:**
The trustees of Balaji Motion Pictures Limited Employees Group Gratuity Scheme have taken a Group Gratuity cum Life Assurance Policy from the Life Insurance Corporation of India (LIC).

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

b) Short-term Employee Benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

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.

BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Operating leases

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

Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India (ICAI).

Provisions and Contingencies

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

DMP

BALAJI MOTION PICTURES LIMITED
 Notes forming part of the financial statements

Note 3 Share Capital

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Authorised		
35,000,000 Equity shares of ₹10/ each		
Total	3,500.00	3,500.00
	3,500.00	3,500.00
Issued, Subscribed and fully paid-up		
30,000,000 Equity shares of ₹10/ each (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	3,000.00	3,000.00
Total	3,000.00	3,000.00

Note:

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

ADP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
(Deficit) in Statement of Profit and Loss		
Opening balance	(4,006.57)	(1,379.09)
Less: Depreciation on account of transitional provision of Schedule II to the Companies Act, 2013 (Refer note 20.14)	(1.64)	-
Add: (Loss) for the year	(536.09)	(2,627.48)
Total	(4,544.30)	(4,006.57)

ADDP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 5 Short-Term Borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Loans and advances from Holding Company (Unsecured) (Refer note 20.4(b))	9,981.75	10,965.37
Total	9,981.75	10,965.37

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 6 Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Other payables		
(a) Temporarily overdrawn book balances	-	225.35
(b) Other payables		
(i) Statutory liabilities	3.12	100.67
(ii) Advances from customers	204.45	1,026.99
Total	207.57	1,353.01

11/11/15

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements
Note 7 Fixed assets

Fixed Assets	Gross Block			Depreciation / Amortisation				Net Block		
	As at April 01, 2014	Additions	Deletions	As at March 31, 2015	Upto March 31, 2014	For the year	On Deduction		Adjusted in reserves	Upto March 31, 2015
Tangible Assets										
Computers	19.79 (7.19)	- (12.97)	- (0.37)	19.79 (19.79)	6.45 (4.76)	5.31 (2.06)	- (0.37)	0.84 (-)	12.60 (6.45)	7.19 (13.34)
Office Equipment	39.48 (9.17)	4.03 (31.78)	- (1.47)	43.51 (39.48)	1.54 (0.54)	9.62 (1.02)	- (0.02)	- (-)	11.16 (1.54)	32.35 (37.94)
Plant and Machinery - Computer	17.30 (17.36)	- (-)	- (0.06)	17.30 (17.30)	16.05 (13.24)	0.44 (2.84)	- (0.03)	0.80 (-)	17.29 (16.05)	0.01 (1.25)
Plant and Machinery - Others	69.19 (-)	146.20 (69.19)	- (-)	215.39 (69.19)	6.18 (-)	14.23 (6.18)	- (-)	- (-)	20.41 (6.18)	194.98 (63.01)
Furniture and Fixtures	7.85 (1.65)	- (6.78)	- (0.58)	7.85 (7.85)	0.08 (0.05)	0.86 (0.18)	- (0.15)	- (-)	0.94 (0.08)	6.91 (7.77)
Lease Hold improvements	68.29 (68.29)	- (-)	- (-)	68.29 (68.29)	34.11 (11.35)	22.72 (22.76)	- (-)	- (-)	56.83 (34.11)	11.46 (34.18)
Vehicles	1.52 (-)	154.00 (1.52)	- (-)	155.52 (1.52)	0.14 (-)	10.44 (0.14)	- (-)	- (-)	10.58 (0.14)	144.94 (1.38)
Total	223.42 (103.66)	304.23 (122.24)	- (2.48)	527.65 (223.42)	64.55 (29.94)	63.62 (35.18)	- (0.57)	1.64 (-)	129.81 (64.55)	397.84 (158.87)

Note:
Figures in brackets denote previous year figures

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 8 Long-term loans and advances (unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Security Deposits (refer note below)	201.00	239.24
(b) Capital Advance (refer note 20.4(b))	-	400.00
(c) Advance to vendors	2,835.56	1,239.39
(d) Advance income- tax (Net of provisions ₹ 101.94 lacs (as at March 31,2014, ₹ 101.94 lacs))	758.13	930.71
Total	3,794.69	2,809.34

Note: Security Deposits includes:

(a) Deposits given to two of the Directors for the properties taken on lease from them (also refer note 20.4 (b))

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year-end	200.00	200.00
Maximum amount outstanding at any time during the year for the above deposits.	200.00	200.00

(b) Deposits given to holding company for the properties taken on lease from the holding company (also refer note 20.4 (b))

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year-end	1.00	1.00

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 9 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Films	2,238.50	5,871.76
Total	2,238.50	5,871.76

As per

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 10 Trade receivables (unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
Trade receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment	137.41	57.18
(b) Other Trade receivables	1.37	622.00
Total	138.78	679.18

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 11 Cash and cash equivalents

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Cash on hand	4.76	1.12
(b) Balances with banks		
(i) In Current accounts	247.55	664.70
(ii) In Fixed deposits with bank	0.54	8.00
Total	252.85	673.82

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 12 Short-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Security Deposit	35.00	-
(b) Loans and advances to employees	0.12	5.77
(c) Prepaid expenses	17.57	12.27
(d) Balances with government authorities (VAT, service tax etc.)	437.98	528.56
(e) Advance to vendors	1,621.01	1,167.09
Total	2,111.68	1,713.69

02/11/14

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 13 Other Current Assets (Unsecured, considered good)

Particulars	As at March 31, 2015	As at March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Unbilled revenue	-	149.37
(b) Interest accrued on fixed deposits with banks	-	0.02
Total	-	149.39

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 14 Revenue from operations

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Sale of Services Sale of Film rights	10,919.28	27,134.33
Other Operating Income Recovery of advances written-off	57.02	35.01
Total	10,976.30	27,169.34

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 15 Other income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
(a) Interest income		
On Fixed Deposit with bank	0.09	6.17
On Income-tax refund	32.92	-
On Capital advance given to related party	56.27	-
(b) Excess Provision for earlier years written back (net)	6.63	3.14
(c) Foreign Exchange Gain (net)	1.37	-
Total	97.28	9.31

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 16 Cost of Film Produced / Acquired / Distributed

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	₹ in Lacs		₹ in Lacs	
Opening stock of films		5,871.76		14,678.07
Less: Service tax credit availed*		-		73.50
<u>Add: Cost of production / acquisition/ distribution</u>		5,871.76		14,604.57
Acquisition Cost	161.98		431.07	
Purchase of costumes and dresses	47.01		138.31	
Purchase of tapes / raw stock / negative	98.12		284.23	
Artistes, Directors and other technician fees	1,530.47		4,958.53	
Shooting and location expenses (Refer Note 20.10)	758.58		1,402.39	
Set properties and equipment hire charges	365.82		879.28	
Insurance expense	11.50		105.36	
Line production cost	1,105.05		2,547.93	
Marketing and Distribution Expenses	2,171.59		7,617.55	
Other production expenses	381.66		1,015.91	
		6,631.78		19,380.55
		12,503.54		33,985.12
Less: Closing stock of films		2,238.50		5,871.76
TOTAL		10,265.04		28,113.36

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 17 Employee Benefits Expense

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Salaries and wages	477.19	738.75
Contributions to Provident and Other Funds	21.69	32.02
Staff welfare expenses	6.75	7.43
Total	505.63	778.20

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 18 Finance cost

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Interest on delayed payment of taxes etc.	1.21	18.45
Total	1.21	18.45

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 19 Other expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Laacs	₹ in Laacs
Power and fuel	10.41	17.92
Rent including lease rentals (Refer Note 20.10)	90.49	76.32
Repairs and maintenance - Machinery	5.60	6.30
Repairs and maintenance - Others	24.71	50.45
Rates and taxes	3.97	84.15
Communication expenses	6.15	9.02
Legal and Professional charges	348.01	304.19
Business promotion expenses	44.53	93.07
Travelling and Conveyance Expenses	14.98	45.81
Donations and contributions	0.41	0.59
Directors Sitting Fees	4.75	2.39
Loss on sale of fixed assets	-	0.06
Loss on fixed asset written off	-	0.55
Foreign exchange loss (net)	-	38.94
Advances written off	142.51	-
Miscellaneous expenses *	77.65	131.18
Total	774.17	860.94

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards

20.1 The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings. Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹ 265.80 lacs from their customers and deposited the same 'under protest' with the authorities.

20.2 Auditors Remuneration

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
For Statutory Audit	9.70	9.70
For Tax Audit	1.00	1.00
For Taxation matters	2.50	2.50
Reimbursement of expenses	0.27	0.23
For Service tax	1.66	1.66
Total	15.13	15.09

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

20.4 Related Party Transactions

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

Name of the Related Party	Relationship
Balaji Telefilms Limited	Holding Company
Marinating films Private Limited	Fellow Subsidiary
Bolt Media Limited	Fellow Subsidiary
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 (till June 30, 2014)	Relative of Key management person
Balaji Films & Telly Investments Limited	Key management person having significant influence
Raksha Entertainment Private Limited (till June 30, 2014)	Relative of Key management person having significant influence
M/s. J K Developers	Sole proprietary firm of a Key management person

22/08

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

Note

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

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Key Management Person having significant influence	Company owned by Relative of Key Management Person	Sole proprietary firm of a Key management person	₹ in Lacs	
							Total	
Loan Received								
Balaji Telefilms Limited	5,187.23	-	-	-	-	-	-	5,187.23
	(10,316.23)	(-)	(-)	(-)	(-)	(-)	(-)	(10,316.23)
Loan Repaid								
Balaji Telefilms Limited	6,170.85	-	-	-	-	-	-	6,170.85
	(13,922.70)	(-)	(-)	(-)	(-)	(-)	(-)	(13,922.70)
Rent Paid								
Balaji Telefilms Limited	(12.00)	(-)	(-)	(-)	(-)	(-)	(-)	(12.00)
Mr. Jeetendra Kapoor	-	15.55	(-)	(-)	(-)	(-)	(-)	15.55
Ms. Ekta Kapoor	(-)	(14.67)	(-)	(-)	(-)	(-)	(-)	(14.67)
	(-)	13.24	(-)	(-)	(-)	(-)	(-)	13.24
	(-)	(12.49)	(-)	(-)	(-)	(-)	(-)	(12.49)
Deposit paid								
Balaji Telefilms Limited	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	(1.00)
Equipment Hire charges								
Balaji Telefilms Limited	4.68	(-)	(-)	(-)	(-)	(-)	(-)	4.68
Capital Advances given								
Ms. J K Developers	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Capital Advances returned								
Ms. J K Developers	(-)	(-)	(-)	(-)	(-)	(400.00)	(400.00)	(400.00)
Interest received on capital advances								
Ms. J K Developers	(-)	(-)	(-)	(-)	(-)	400.00	400.00	400.00
Purchase of rights								
Balaji Telefilms Limited	(-)	(-)	(-)	(-)	(-)	56.27	56.27	56.27
Balaji Films & Telly Investments Limited	62.00	(-)	(-)	(-)	(-)	(-)	(-)	62.00
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Directors sitting fees								
Mr. Jeetendra Kapoor	(-)	(-)	(-)	(-)	(-)	101.00	101.00	101.00
Mr. Tushar Kapoor	(-)	0.85	(-)	(-)	(-)	(-)	(-)	0.85
	(-)	(0.40)	(-)	(-)	(-)	(-)	(-)	(0.40)
Remuneration								
Ms. Ekta Kapoor	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Artist fees	(-)	127.19	(-)	(-)	(-)	(-)	(-)	127.19
Mr. Tusshar Kapoor	(-)	(81.05)	(-)	(-)	(-)	(-)	(-)	(81.05)
Legal and Professional charges								
Mr. Ramesh Sippy	(-)	50.00	(-)	(-)	(-)	(-)	(-)	50.00
	(-)	(21.50)	(-)	(-)	(-)	(-)	(-)	(21.50)
Sale of film rights								
Raksha Entertainment Pvt Ltd	(-)	(-)	1.20	(-)	(-)	(-)	(-)	1.20
	(-)	(-)	(3.20)	(-)	(-)	(-)	(-)	(3.20)
Amount payable As at March 31, 2015								
Balaji Telefilms Limited	(-)	(-)	(-)	(-)	(-)	31.39	31.39	31.39
	10,040.65	(-)	(-)	(-)	(-)	(116.45)	(116.45)	(116.45)
Amount receivable As at March 31, 2016								
Mr. Jeetendra Kapoor*	(-)	100.00	(-)	(-)	(-)	(-)	(-)	100.00
Ms. Ekta Kapoor*	(-)	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)
	(-)	100.00	(-)	(-)	(-)	(-)	(-)	100.00
Balaji Telefilms Limited	1.00	(100.00)	(-)	(-)	(-)	(-)	(-)	(100.00)
Raksha Entertainment Pvt Ltd	(1.00)	(-)	(-)	(-)	(-)	(-)	(-)	1.00
	(-)	(-)	(-)	(-)	(-)	9.76	9.76	9.76
	(-)	(-)	(-)	(-)	(-)	(31.45)	(31.45)	(31.45)

(i) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
(ii) Figures in bracket relate to the previous year.
* - Deposit for leased property

20.5 Earnings in foreign currency

Sale of Film Rights	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
	813.63	10,417.14

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)
20.6 Expenditure in foreign currency

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Line Production Charges		
Set provisions and equipment hire charges	155.96	-
Shooting and location expenses	225.10	-
Artists, Directors and other technician fees	285.34	402.93
Travelling and Conveyance Expenses	36.16	-
Other Production Expenses	34.98	0.97
	58.79	-

20.7 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 21.68 Lacs (previous year: ₹ 34.01 Lacs).

b) Defined Benefit Plans

i) Reconciliation of asset / (liability) recognized in the Balance Sheet (under Prepaid Expenses refer Note 12)

	As at 31 March, 2015	As at 31 March, 2014
	₹ in Lacs	₹ in Lacs
Fair Value of plan assets as at the end of the year	15.53	14.25
Present Value of Obligation as at the end of the year	(4.53)	(10.04)
Net (assets) / liability in the Balance Sheet	(11.00)	(4.21)

ii) Movement in net liability recognized in the Balance Sheet

	As at 31 March, 2015	For the year 2013, 2014
	₹ in Lacs	₹ in Lacs
Net (assets)/liability as at the beginning of the year	(4.21)	1.13
Net expense recognized in the Statement of Profit and Loss	(6.79)	(1.18)
Contribution during the year		(4.15)
Net liability/assets in the Balance Sheet	(11.00)	(4.21)

iii) Expense Recognized in the Statement of profit and loss (Under the head "Employee benefits expenses" refer Note 17)

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Current Service Cost		
Interest Cost	4.60	5.69
Expected Return on Plan assets	(1.55)	0.81
Actuarial (gains)/losses	1.24	(0.78)
Expense / (gain) charged to the Statement Profit and Loss	(11.08)	(7.10)
	(6.79)	(1.18)

iv) Return on Plan Assets

	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹ in Lacs	₹ in Lacs
Expected return on plan assets		
Actuarial gains / (losses)	1.24	0.78
Actual return on plan assets	0.04	0.37
	1.28	1.15

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Nota 20 Additional Information to the financial statements and disclosure under Accounting Standards (contd.)
V Reconciliation of defined benefits commitments

	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2014 ₹ in Lacs
Commitments at beginning of the year		
Current Service Cost	10.03	10.07
Interest Cost	4.80	5.89
Actuarial (gains)/losses	0.93	0.81
Benefits paid	(11.04)	(6.73)
Settlement cost	-	-
Commitments at year end	4.53	10.03

VI Reconciliation of plan assets

	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2014 ₹ in Lacs
Fair Value of plan assets at beginning of the year		
Expected return on plan assets	14.25	8.94
Actuarial gains/(losses)	1.24	0.78
Employer contribution	0.04	0.37
Benefits paid	-	4.15
Fair Value of plan assets at year end	15.53	14.25

VII Experience Adjustment

	For the year 2014-2015 ₹ in Lacs	For the year 2013-2014 ₹ in Lacs	For the year 2012-2011 ₹ in Lacs	For the year 2011-2010 ₹ in Lacs	For the year 2010-2009 ₹ in Lacs
On Plan liability (gains) / losses					
On Plan assets gains / (losses)	(11.84)	(4.32)	0.14	(0.31)	(2.66)
	0.04	0.37	0.16	0.24	0.25

VIII Actuarial Assumptions

	For the year ended March 31, 2015 ₹ in Lacs	For the year ended March 31, 2014 ₹ in Lacs
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	8.09%	9.31%
Expected Rate of return on Plan assets (per annum)	8.09%	8.70%
Rate of escalation in Salary (per annum)	5.00%	5.00%
Attrition rate	2.00%	2.00%

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

Composition of plan assets

	For the year ended March 31, 2015 100%	For the year ended March 31, 2014 100%
Insurer managed funds		

20.8 Earning per share

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

	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) (Loss) for the year attributable to equity share holders (₹ in Lacs)		
(b) Weighted average number of equity shares outstanding during the year (Nos.)	(538.10)	(2,527.48)
(c) Earnings per share - Basic and diluted (₹)	30,000,000	30,000,000
(d) Nominal value of shares (₹)	(1.79)	(8.76)
	10	10

20.9 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid AS 22.

20.10 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 79.12 Lacs (previous year ₹ 170.55 Lacs).

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BALAJI MOTION PICTURES LIMITED**Notes forming part of the financial statements****Note 20 Additional information to the financial statements and disclosure under Accounting Standards (contd.)****Note****20.11 Segment Information****(A) Information about primary segments**

The primary segment of the Company is business segment which comprises of carrying on the business of production and / or distribution of motion pictures and films. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

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

During the current year, the Company in view of similar risks and rewards, has considered its operations under one geographical segment and hence disclosure relating to geographical segment for current year are not given

The Company in the previous year had two reportable geographical segments based on location of customers:

- i) Revenue from customers within India – local
- ii) Revenue from customers Outside India – export

	Export	Local	Total
	Previous Year	Previous Year	Previous Year
A) Revenue (Turnover)	10,417.14	16,752.20	27,169.34
B) Carrying amount of assets	-	12,056.05	12,056.05
C) Addition to fixed assets	-	122.24	122.24

20.12 Pursuant to the Shareholders' approval at the Extra Ordinary General Meeting on August 9, 2013, BMPL has paid remuneration to its Managing Director. The Parent Company has received approval from the Central Government for the remuneration paid till March 31, 2014. The remuneration paid for the year ended March 31, 2015 exceeds by ₹ 48.31 lakhs as determined under Section 197 of the Companies Act, 2013 and is subject to Central Government approval for which BMPL has filed an application with the Central Government.

20.13 The Company did not have any long term contracts including derivative contracts for which any provision is required for foreseeable losses

20.14 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and adjusted an amount of ₹ 1.64 lacs against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 13.40 and loss after tax for the year is higher by ₹ 13.40 consequent to the change in the useful life of the assets.

20.15 The accumulated losses of ₹ 4544.30 Lacs as at March 31, 2015 have fully eroded the network of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 20.4 (b)) as sanctioned by the Board and its future profitability. The Company has identified the Film Business as its strategic growth area for the group and has various projects currently under production/development and the management is fully confident about the long-term profitability of its movie businesses which has a long gestation period in terms of setting up various in-house functions for optimal utilization of resources, scalability and its monetization.

20.16 On April 30, 2013, the Income-tax Department visited the premises of the Company and initiated proceedings under Section 132 of the Income-tax Act, 1961. In this connection, the Company has received notices under section 153A of Income-tax Act, 1961 and the Company has complied with the requirements of the said notices. Based on compliance of the requirement under Sec 153A, the Company has now received notices for providing various details to the assessing officers for carrying out assessments. The Company is in the process of complying with the requirements and is submitting required information. Since the proceedings are pending completion, the tax liability, if any, would be ascertained and provided on the completion of the assessments under these proceedings.

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

ASMA

Signatures to notes 1 to 20

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 20, 2015

For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)

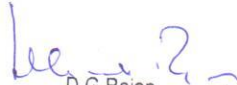


Shobha Kapoor
(Director)



Ekta Kapoor
(Managing Director)

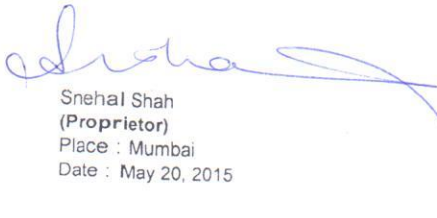
For Snehal & Associates
Chartered Accountants



D.G. Rajan
(Director)



Sameer Nair
(Group Chief Executive Officer)



Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 20, 2015



Harshada Eklahare
(Company Secretary)
Place : Mumbai
Date : May 20, 2015



Sanjay Dwivedi
(Group Chief Financial Officer)

INDEPENDENT AUDITORS' REPORT

To The Members Of

Balaji Motion Pictures Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Emphasis of Matter

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

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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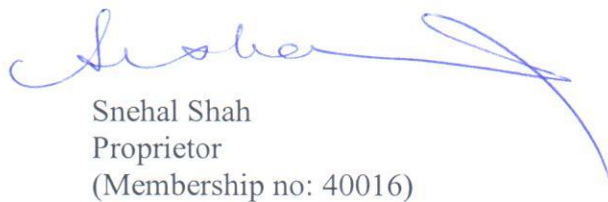
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs);
- (e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1) (g) of the Act.

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



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

For Snehal & Associates
Chartered Accountants
(Registration no: 110314W)



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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re: Balaji Motion Pictures Limited

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

- (i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.

- (ii)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

 - (b) The fixed assets were physically verified during the year by the management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

- (iii)

According to the information and explanations given to us, the nature of inventories of the Company are such that sub clauses (a), (b) and (c) of clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (iv)
 - (a) The Company has not granted loans to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (a) to (d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

 - (b) The Company has taken interest free unsecured loans from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 16,347.32 lakhs and the year-end balance was Rs. 10,965.37 lakhs.

 - (c) In our opinion, the terms and conditions of the loan taken are not, prima facie not prejudicial to the interests of the Company.

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- (d) According to information and explanations given to us, since there are no repayment schedules with regard to the loans taken, clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- (vii) The Company has not accepted any deposit from the public.
- (viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Custom Duty,

Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

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

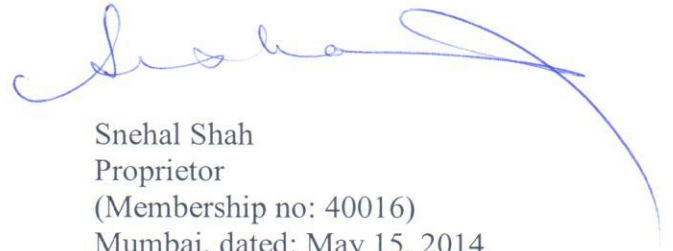
(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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



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

For Snehal & Associates
Chartered Accountants
(Registration no: 110314W)



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

BALAJI MOTION PICTURES LIMITED
Balance Sheet As at March 31, 2014

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

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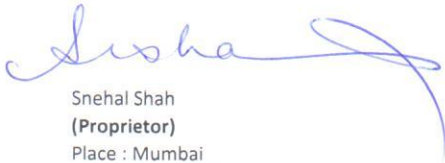
BALAJI MOTION PICTURES LIMITED
Balance Sheet as at March 31, 2014

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 15, 2014

For Snehal & Associates
Chartered Accountants



Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 15, 2014

For and on behalf of the Board of Directors



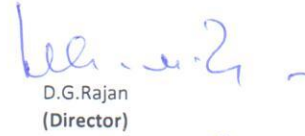
Jeetendra Kapoor
(Chairman)




Shobha Kapoor
(Director)



Ekta Kapoor
(Managing Director)



D.G. Rajan
(Director)



Nivedita Nayak
(Company Secretary)
Place : Mumbai
Date : May 15, 2014



Sanjay Dwivedi
(Chief Financial Officer)

BALAJI MOTION PICTURES LIMITED

Statement of Profit and Loss for the year ended March 31, 2014

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

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BALAJI MOTION PICTURES LIMITED

Statement of Profit and Loss for the year ended March 31, 2014

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

For and on behalf of the Board of Directors



**A. B. Jani
(Partner)
Place : Mumbai
Date : May 15, 2014**



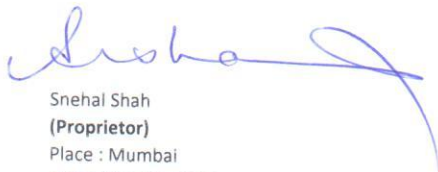
**Jeetendra Kapoor
(Chairman)**



**Shobha Kapoor
(Director)**

E K

**For Snehal & Associates
Chartered Accountants**



**Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 15, 2014**



**Nivedita Nayak
(Company Secretary)
Place : Mumbai
Date : May 15, 2014**



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



**Ektta Kapoor
(Managing Director)**



**Sanjay Dwivedi
(Chief Financial Officer)**

BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2014

Particulars	For the Year Ended March 31, 2014		For the Year Ended March 31, 2013	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. Cash Flow from Operating Activities				
(Loss) / Profit before tax		(2,627.48)		221.50
<u>Adjustment for:</u>				
Depreciation / Amortisation	35.18		15.58	
Interest income on fixed deposit with bank	(6.17)		(0.40)	
Excess provision for earlier years written back	(3.14)		-	
Loss on fixed asset written off	0.55		-	
Loss on sale of fixed asset	0.06		-	
Operating (loss) / profit before working capital changes	(2,601.00)		236.68	
(Increase) in trade and other receivables	(2,136.17)		(962.84)	
Decrease/ (Increase) in inventories	8,806.31		(11,060.37)	
Increase in trade and othe payables	209.30		1,374.09	
		4,278.44		(10,412.44)
Direct taxes paid		-		(37.22)
Net cash flow from/ (used in) operating activities (A)		4,278.44		(10,449.66)
B. Cash Flow from Investing Activities				
Purchase of fixed assets	(122.24)		(77.80)	
Sale of fixed assets	1.30		-	
Interest Received	6.17		0.40	
Net cash flow (used in) investing activities (B)		(114.77)		(77.40)
C. Cash Flow from Financing Activities				
Proceeds from short-term borrowings	10,316.23		13,241.94	
Repayment of short-term borrowings	(13,922.70)		(2,661.76)	
Net cash flow (used in) / from financing activities (C)		(3,606.47)		10,580.18
Net increase in cash and cash equivalents (A+B+C)		557.20		53.12
Cash and cash equivalents at the beginning of the year		116.62		63.50
Cash and cash equivalents at the end of the year		673.82		116.62
See accompanying notes forming part of the financial statements.				
Note:				
Components of cash and cash equivalents include cash and bank balances in current and deposit accounts (Refer note 12).				

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BALAJI MOTION PICTURES LIMITED
Cash Flow Statement for the year ended March 31, 2014

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



A. B. Jani
(Partner)
Place : Mumbai
Date : May 14, 2014

For and on behalf of the Board of Directors



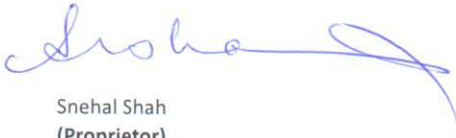
Jeetendra Kapoor
(Chairman)



Shobha Kapoor
(Director)

EK

For Snehal & Associates
Chartered Accountants



Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 14, 2014



Nivedita Nayak
(Company Secretary)
Place : Mumbai
Date : May 14, 2014



D.G. Rajan
(Director)



Sanjay Dwivedi
(Chief Financial Officer)



Ekta Kapoor
(Managing Director)

BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1

Corporate information

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

Note 2

Significant accounting policies

Basis of accounting and preparation of financial statements

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

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

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

Impairment loss

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

Inventories

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

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

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BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Revenue recognition

In respect of films produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.

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

Employee benefits

a) Post employment benefits and other long term benefits

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

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

b) Short Term Employee Benefits:

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

Foreign currency transactions

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

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Operating leases

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

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BALAJI MOTION PICTURES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Taxes on income

Tax expense comprises of current tax and deferred tax.

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

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

Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income-tax Act, 1961" issued by the Institute of Chartered Accountants of India (ICAI).

Provisions and Contingencies

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 3 Share Capital

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Authorised		
35,000,000 Equity Shares of ₹10 each with voting rights	3,500.00	3,500.00
Total	3,500.00	3,500.00
Issued, Subscribed and fully paid-up		
30,000,000 Equity Shares of ₹10 each with voting rights (All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)	3,000.00	3,000.00
Total	3,000.00	3,000.00

Note:

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 4 Reserves and surplus

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
(Deficit) in Statement of Profit and Loss		
Opening balance	(1,379.09)	(1,556.10)
Add: (Loss)/Profit for the year	(2,627.48)	177.01
Total	(4,006.57)	(1,379.09)

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 5 Short-Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Loans and advances from Holding Company (Unsecured) (Refer note 21.4(b))	10,965.37	14,571.84
Total	10,965.37	14,571.84

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 6 Other current liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Other payables		
(a) Temporarily overdrawn book balances	225.35	-
(b) Other payables		
(i) Statutory liabilities	100.67	5.61
(ii) Advances from customers	1,026.99	965.71
Total	1,353.01	971.32

ASLP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 7 Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Provision for gratuity (Refer note 21.7 (b))	-	1.13
Total	-	1.13

DSLP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 8 Fixed assets

Fixed Assets	Gross Block						Depreciation / Amortisation			Net Block As at March 31, 2014
	As at April 01, 2013	Additions	Deletions	As at March 31, 2014	Upto March 31, 2013	For the year	On deductions	Upto March 31, 2014		
Tangible Assets										
Computers	7.19 (6.72)	12.97 (0.47)	0.37 (-)	19.79 (7.19)	4.76 (3.65)	2.06 (1.11)	0.37 (-)	6.45 (4.76)	13.34 (2.43)	
Office Equipment	9.17 (1.78)	31.78 (7.39)	1.47 (-)	39.48 (9.17)	0.54 (0.28)	1.02 (0.26)	0.02 (-)	1.54 (0.54)	37.94 (8.63)	
Plant and Machinery - Computer	17.36 (17.36)	- (-)	0.06 (-)	17.30 (17.36)	13.24 (10.43)	2.84 (2.81)	0.03 (-)	16.05 (13.24)	1.25 (4.12)	
Plant and Machinery - Others	- (-)	69.19 (-)	- (-)	69.19 (-)	- (-)	6.18 (-)	- (-)	6.18 (-)	63.01 (-)	
Furniture and Fixtures	1.65 (-)	6.78 (1.65)	0.58 (-)	7.85 (1.65)	0.05 (-)	0.18 (0.05)	0.15 (-)	0.08 (0.05)	7.77 (1.60)	
Lease Hold improvements	68.29 (-)	- (68.29)	- (-)	68.29 (68.29)	11.35 (-)	22.76 (11.35)	- (-)	34.11 (11.35)	34.18 (56.94)	
Vehicles	- (-)	1.52 (-)	- (-)	1.52 (-)	- (-)	0.14 (-)	- (-)	0.14 (-)	1.38 (-)	
Total	103.66 (25.86)	122.24 (77.80)	2.48 (-)	223.42 (103.66)	29.94 (14.36)	35.18 (15.58)	0.57 (-)	64.55 (29.94)	158.87 (73.72)	

Note:

Figures in brackets denote previous year figures

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 9 Long term loans and advances (unsecured, considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
(a) Security Deposits (refer note below)	239.24	215.94
(b) Capital Advance (refer note 21.4(b))	400.00	1.67
(c) Advance to vendors	1,239.39	1,037.46
(d) Advance income- tax (Net of provisions ₹ 101.94 lacs (As at March 31,2013, ₹ 101.94 lacs))	930.71	448.78
Total	2,809.34	1,703.85

Note: Security Deposits includes:

(a) Deposits given to two of the Directors for the properties taken on lease from them (also refer note 21.4 (b))

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year end	200.00	200.00
Maximum amount outstanding at any time during the year for the above deposits.	200.00	200.00

(b) Deposits given to holding company for the properties taken on lease from the holding company (also refer note 21.4 (b))

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Amount outstanding as at the year end	1.00	-

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 10 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Films	5,871.76	14,678.07
Total	5,871.76	14,678.07

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 11 Trade receivables (unsecured, considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
Trade receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment	57.18	10.91
(b) Other Trade receivables	622.00	300.78
Total	679.18	311.69

AWLP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 12 Cash and cash equivalents

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
(a) Cash on hand	1.12	2.73
(b) Balances with banks		
(i) In current accounts	664.70	91.64
(ii) Fixed deposits with bank	8.00	22.25
Total	673.82	116.62

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 13 Short-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2014	As at March 31, 2013
	₹ in Lacs	₹ in Lacs
(a) Loans and advances to employees	5.77	20.88
(b) Prepaid expenses	12.27	5.12
(c) Balances with government authorities (VAT, service tax etc.)	528.56	74.39
(d) Advance to vendors	1,167.09	1,097.55
Total	1,713.69	1,197.94

AWLP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 14 Other Current Assets (Unsecured, considered good)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
(a) Unbilled revenue	149.37	-
(b) Interest accrued on fixed deposits with banks	0.02	-
Total	149.39	-

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 15 Revenue from operations

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
Sale of Services		
Sale of Film rights	27,134.33	4,427.88
Other Operating Income		
Recovery of advances written-off	35.01	-
Sundry credit balance written back	-	35.74
Total	27,169.34	4,463.62

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 16 Other income

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Laacs	₹ in Laacs
(a) Interest income		
On Fixed Deposit with bank	6.17	0.40
On Income-tax Refund	-	12.27
(b) Excess Provision for earlier years written back (net)	3.14	-
(c) Miscellaneous Income	-	8.61
Total	9.31	21.28

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 17 Cost of Film Produced / Acquired / Distributed

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	₹ in Lacs		₹ in Lacs	
Opening stock of films		14,678.07		3,617.70
Less: Service tax credit availed*		73.50		-
		14,604.57		3,617.70
<u>Add: Cost of production / acquisition/ distribution</u>				
Acquisition Cost	431.07		484.49	
Purchase of costumes and dresses	138.31		154.51	
Purchase of tapes / raw stock / negative	284.23		151.30	
Artistes, Directors and other technician fees	4,958.53		4,161.45	
Shooting and location expenses (Refer Note 21.10)	1,402.39		1,234.08	
Set properties and equipment hire charges	879.28		622.68	
Insurance expense	105.36		45.09	
Line production cost	2,547.93		5,608.30	
Marketing and Distribution Expenses	7,617.55		1,238.25	
Other production expenses	1,015.91		659.61	
		19,380.55		14,359.77
		33,985.12		17,977.47
Less: Closing stock of films		5,871.76		14,678.07
TOTAL		28,113.36		3,299.40

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 18 Employee Benefits Expense

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
Salaries and wages	738.75	562.46
Contributions to Provident and Other Funds	32.02	26.31
Staff welfare expenses	7.43	1.78
Total	778.20	590.55

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 19 Finance cost

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
Interest on delayed payment of Taxes etc.	18.45	-
Total	18.45	-

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 20 Other expenses

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
Power and fuel	17.92	1.46
Rent including lease rentals (Refer Note 21.10)	76.32	9.65
Repairs and maintenance - Machinery	6.30	0.47
Repairs and maintenance - Others	50.45	3.13
Rates and taxes	84.15	0.61
Communication expenses	9.02	8.45
Legal and Professional charges	304.19	148.81
Business promotion expenses	93.07	48.97
Travelling and Conveyance Expenses	45.81	17.01
Donations and contributions	0.59	12.97
Directors Sitting Fees	2.39	2.27
Loss on sale of fixed assets	0.06	-
Loss on fixed asset written off	0.55	-
Foreign exchange loss (net)	38.94	0.61
Miscellaneous expenses *	131.18	103.46
Total	860.94	357.87

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

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 21 Additional information to the financial statements and disclosure under Accounting Standards

21.1 The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein a temporary transfer or permitting the use/enjoyment of copyright has been made liable to service tax. The levy extends to all transactions involving temporary transfer or permitting the use of copyrights in cinematographic films and sound recordings. Pursuant to this, the Company, as a co-petitioner, along with other companies who are engaged in the business of creation and production of cinematographic films and musical works for distribution, exhibition and communication to the public, via different mediums, had filed a writ petition in the Bombay High Court challenging the vires of the Central Government to levy Service tax under the said entry. Pending disposal of this writ petition, the Company has collected the service tax on such transactions aggregating to ₹265.80 lacs from their customers and deposited the same 'under protest' with the authorities.

21.2 **Auditors Remuneration**

	For the year ended March 31, 2014	For the year ended March 31, 2013
	₹ in Lacs	₹ in Lacs
For Statutory Audit	9.70	9.70
For Tax Audit	1.00	1.00
For Taxation matters	2.50	2.50
For other services	-	0.20
Reimbursement of expenses	0.23	0.26
For service tax	1.66	1.69
Total	15.09	15.35

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

21.4 **Related Party Transactions**

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Mrs. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Key management person
Mr. Ramesh Sippy	Relative of Key management person
Raksha Entertainment Private Limited	Company owned by relative of Key management person
M/s. J K Developers	Sole proprietary firm of a Key management person
Balaji Telefilms Limited	Holding Company
Boit Media Limited	Fellow Subsidiary

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 21 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

Note

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

Nature of Transactions	Holding Company	Key Management Person	Relative of Key Management Person	Company owned by relative of Key Management	Sole proprietary firm of a Key management person	₹ in Lacs
						Total
Loan Received						
Balaji Telefilms Limited	10,316.23 (13,241.94)	- (-)	- (-)	- (-)	- (-)	10,316.23 (13,241.94)
Loan Repaid						
Balaji Telefilms Limited	13,922.70 (2,661.76)	- (-)	- (-)	- (-)	- (-)	13,922.70 (2,661.76)
Rent Paid						
Balaji Telefilms Limited	12.00 (0.90)	- (-)	- (-)	- (-)	- (-)	12.00 (0.90)
Mr. Jeetendra Kapoor	-	14.67	-	-	-	14.67
Ms. Ekta Kapoor	-	(3.89)	-	-	-	(3.89)
	-	12.49	-	-	-	12.49
	(-)	(3.31)	-	-	-	(3.31)
Deposit paid						
Mr. Jeetendra Kapoor	-	-	-	-	-	-
Ms. Ekta Kapoor	(-)	(100.00)	(-)	(-)	(-)	(100.00)
	-	-	-	-	-	-
Balaji Telefilms Limited	(-)	(100.00)	(-)	(-)	(-)	(100.00)
	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Capital Advances						
M/s. J K Developers	-	-	-	-	400.00	400.00
Directors sitting fees	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Jeetendra Kapoor	-	0.40	-	-	-	0.40
	(-)	(0.41)	(-)	(-)	(-)	(0.41)
Remuneration (w.e.f September 1, 2013)						
Ms. Ekta Kapoor	-	81.05	-	-	-	81.05
	(-)	(-)	(-)	(-)	(-)	(-)
Artist fees						
Mr. Tusshar Kapoor	-	21.50	-	-	-	21.50
	(-)	(103.09)	(-)	(-)	(-)	(103.09)
Legal and Professional charges						
Mr. Ramesh Sippy	-	-	3.20	-	-	3.20
	(-)	(-)	(14.75)	(-)	(-)	(14.75)
Sale of film rights	-	-	-	-	-	-
Raksha Entertainment Pvt Ltd	(-)	(-)	(-)	116.45	(-)	116.45
	(-)	(-)	(-)	(-)	(-)	(-)
Amount payable As at March 31, 2014						
Balaji Telefilms Limited	10,965.37 (14,572.45)	- (-)	- (-)	- (-)	- (-)	10,965.37 (14,572.45)
Amount receivable As at March 31, 2014						
Mr. Jeetendra Kapoor*	-	100.00	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Ms. Ekta Kapoor*	-	100.00	-	-	-	100.00
	(-)	(100.00)	(-)	(-)	(-)	(100.00)
Balaji Telefilms Limited	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Raksha Entertainment Pvt Ltd	-	-	-	31.45	-	31.45
	(-)	(-)	(-)	(-)	(-)	(-)

(i) There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
(ii) Figures in bracket relate to the previous year.
* - Deposit for leased property

21.5 Earnings in foreign currency

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

ANUP

BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 21 Additional information to the financial statements and disclosure under Accounting Standards (contd.)
21.5 Expenditure in foreign currency

	As at 31 March, 2014 ₹ in Lacs	As at 31 March, 2013 ₹ in Lacs
Shooting and location expenses	402.93	107.65
Travelling and Conveyance Expenses	0.97	17.01

21.7 Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognized as expense amounts to ₹ 34.01 Lacs (previous year ₹ 22.20 Lacs).

b) a) Defined Benefit Plans

i Reconciliation of asset / (liability) recognized in the Balance Sheet (under short-term provisions refer Note 7)

	As at 31 March, 2014 ₹ in Lacs	As at 31 March, 2013 ₹ in Lacs
Fair Value of plan assets as at the end of the year	14.25	8.94
Present Value of Obligation as at the end of the year	(10.04)	(10.07)
Net (assets) / liability in the Balance Sheet	(4.21)	1.13

ii Movement in net liability recognized in the Balance Sheet

	For the year 2013-2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs
Net (assets)/liability as at the beginning of the year	1.13	(1.98)
Net expense recognized in the Statement of Profit and Loss	(1.18)	4.10
Contribution during the year	(4.15)	(0.99)
Net liability/(assets) in the Balance Sheet	(4.21)	1.13

iii Expense Recognized in the Statement of profit and loss (Under the head "Employees benefit expenses" refer Note 18)

	For the year 2013-2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs
Current Service Cost	5.89	3.87
Interest Cost	0.81	0.44
Expected Return on Plan assets	(0.78)	(0.55)
Actuarial (gains)/losses	(7.10)	0.37
Expense / (gain) charged to the Statement Profit and Loss	(1.18)	4.10

iv Return on Plan Assets

	For the year 2013-2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs
Expected return on plan assets	0.78	0.57
Actuarial gains / (losses)	0.37	0.16
Actual return on plan assets	1.15	0.73

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BALAJI MOTION PICTURES LIMITED
Notes forming part of the financial statements

Note 21 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

V Reconciliation of defined benefits commitments

	For the year 2013-2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs
Commitments at beginning of the year	10.07	5.24
Current Service Cost	5.89	3.87
Interest Cost	0.81	0.44
Actuarial (gains)/losses	(6.73)	0.52
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	10.03	10.07

VI Reconciliation of plan assets

	For the year 2013-2014 ₹ in Lacs	For the year 2012- 2013 ₹ in Lacs
Fair Value of plan assets at beginning of the year	8.94	7.22
Expected return on plan assets	0.78	0.57
Actuarial gains/(losses)	0.37	0.16
Employer contribution	4.15	0.99
Benefits paid	-	-
Fair Value of plan assets at year end	14.25	8.94

VII Experience Adjustment

	For the year 2013- 2014 ₹ in Lacs	For the year 2012-2013 ₹ in Lacs	For the year 2011- 2012 ₹ in Lacs	For the year 2010-2011 ₹ in Lacs	For the year 2009-2010 ₹ in Lacs
On Plan liability (gains) / losses	(4.32)	0.14	(0.31)	(2.66)	0.05
On Plan assets gains / (losses)	0.37	0.16	0.24	0.25	0.01

VIII Actuarial Assumptions

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

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

Composition of plan assets

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

21.8 Earning per share

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

	For the year 2013-2014	For the year 2012- 2013
(a) (Loss) / Profit for the year attributable to equity share holders (₹ in Lacs)	(2,627.48)	177.01
(b) Weighted average number of equity shares outstanding during the year (Nos.)	30,000,000	30,000,000
(c) Earnings per share - Basic and diluted (₹)	(8.76)	0.59
(d) Nominal value of shares (₹)	10	10

21.9 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income" (AS 22), deferred tax assets and liabilities should be recognized for all timing differences. However, considering the present financial position and accumulated tax losses carried forward and the requirement of the AS 22 regarding certainty/virtual certainty, the deferred tax asset is not accounted for. However, the same will be reassessed at subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid AS 22.

21.10 Lease Transactions

Amount of lease rentals charged to the statement profit and loss in respect of operating leases is ₹ 170.55 Lacs (previous year ₹7.30 Lacs).

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BALAJI MOTION PICTURES LIMITED
Notes formina part of the financial statements

Note 21 Additional information to the financial statements and disclosure under Accounting Standards (contd.)

Note

21.11 Segment Information

(A) Information about primary segments

The primary segment of the Company is business segment which comprises of carrying on the business of production and / or distribution of motion pictures and films. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.

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

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

- i) Revenue from customers within India – local
- ii) Revenue from customers Outside India – export

	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	10,417.14	84.85	16,752.20	4,378.77	27,169.34	4,463.62
B) Carrying amount of assets	-	0.53	12,056.05	18,081.36	12,056.05	18,081.89
C) Addition to fixed assets	-	-	122.24	77.80	122.24	77.80

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

21.13 The accumulated losses of ₹4006.57 Lacs as at March 31, 2014 have fully eroded the networth of the Company. The financial statement of the Company have, however been prepared on a going concern basis, which is dependent upon continuing and committed availability of finance from the holding Company (Refer Note 21.4 (b)) as sanctioned by the Board and its future profitability. The Company has identified the Film Business as its strategic growth area for the group and has various projects currently under production/development and the management is fully confident about the long-term profitability of its movie businesses which has a long gestation period in terms of setting up various in-house functions for optimal utilization of resources, scalability and its monetization.

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

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

DWPP

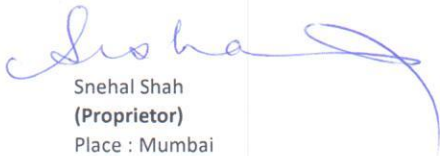
Signatures to notes 1 to 21

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



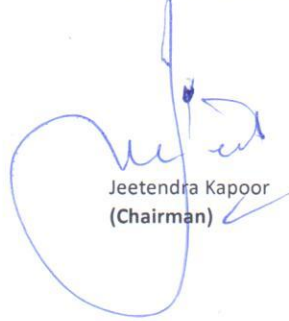
A. B. Jani
(Partner)
Place : Mumbai
Date : May 15, 2014

For Snehal & Associates
Chartered Accountants



Snehal Shah
(Proprietor)
Place : Mumbai
Date : May 15, 2014

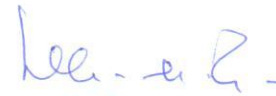
For and on behalf of the Board of Directors



Jeetendra Kapoor
(Chairman)



Shobha Kapoor
(Director)


D.G. Rajan
(Director)
Ekta Kapoor
(Managing Director)
Nivedita Nayak
(Company Secretary)
Place : Mumbai
Date : May 15, 2014
Sanjay Dwivedi
(Chief Financial Officer)