



Shifting & Paradigms



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Forward looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements, written and verbatim, that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Vision is all about looking ahead

It is seldom static but often consistent.

It is rarely uni-dimensional, but always focused.

It means doing the same thing, to a point of perfection, while making ways for newer opportunities to be addressed.



For years, we have remained at the forefront of creating compelling content and breaking the stereotypes in the Hindi Fiction television entertainment in India. In doing so, we have gained a remarkable insight into audience aspirations as well as creative execution.

Simultaneously, industry dynamics in India are evolving rapidly, with the result that regional channels are now gaining increasing prominence and event based entertainment is forming part of the overall product mix. Filmed entertainment too, is witnessing a change in terms of newer concepts and a greater acceptability of non-conventional content and ideation.

In 2010-11 Balaji embarked upon a paradigm shifting strategy, which marked a maturing of its content offerings in languages other than Hindi, coupled with an increasing focus on films. Not only is this allowing us to leverage our strengths and capabilities but also enabling us to be nimble footed and pursue opportunities that are present in diverse sectors.

A snapshot of our world

Since inception in 1994, Balaji Telefilms Limited (Balaji) has redefined television entertainment through the adoption of refreshing content and innovative execution.

The journey began with the revolutionary show (Hum Paanch), which enjoyed wider viewer acceptability in the late 1990s and 2000s. The prospects of Hindi General Entertainment Channels across India were first capitalized by Balaji, with its blockbuster shows, such as Kyunki Saas Bhi Kabhi Bahu Thi and Kahaani Ghar Ghar Ki.

Over 15,000 hours of television content has been produced, spanning Hindi, Marathi, Tamil, Telugu, Kannada, Malayalam and Bengali languages. In 2005, Balaji forayed into the domain of motion pictures for producing and distributing films. Today, we have established ourselves as one of India's leading content providers, with prominent presence in Hindi and regional GECs and also filmed entertainment.



Vision

To consistently provide delightful and innovative entertainment experiences by engaging audiences and nurturing talent

Values



Storytelling

We always delight audiences with our content and the way we deliver it to them



Compassion

We care about our people, we listen, we take the initiative to understand what each one of us wants and work together as a team



Passion

We go that extra mile because we love what we do



Excellence

We push the bar and never settle for anything but the best



Integrity

We are honest and ethical in all our dealings



The Brands

Balaji

The 'Balaji' banner engages in production of traditional television content and large scale feature films.



ALT Entertainment

Alt Entertainment represents a cutting edge and youth oriented brand, engaged in content creation for a more urbane and younger generation of viewers, across the spectrum of India's television and movies.



A tectonic shift in strategy and execution

India's media and entertainment industry is witnessing an evolution in terms of viewers and viewing content. The viewers today demand original innovative content for both television shows and movies. There is also a sharp categorization of viewers on the grounds of age and viewing preference. Besides, regionalisation in the television industry is now witnessing a remarkable ascendance.

At Balaji, the result is shifting paradigms in business strategy and execution to capitalise on emerging opportunities and to stay relevant in a rapidly transforming industry. Some of the initiatives in this regard comprise the following:



1

We believe in creating original content and have the complete ownership of the entire sequence of content creation from inception to completion, facilitating better cost control and a derisked business model.

3

Expanding the viewership base to the regional GECs of Maharashtra and Bengal. Maziya Priyala Prit Kalena on Zee Marathi was Balaji's first step in the Marathi GEC.

5

Expanded our portfolio to event-based TV Shows, including special events on Ganpati (Zee TV), Durga puja and Valentine's day (Star); the prestigious awards show 'Global Indian Film & TV Honours' was re-launched in February, 2011, celebrating excellence in the film and television industry.

2

Balaji's dynamic content distribution encompasses important GECs such as Zee, Star, Colors, Sony and the Sun Network. To provide unrivalled entertainment experience, Balaji continues with the ideation of innovative and superior quality content. Given that television viewership among the youth is on the rise, Balaji is focusing more on creating content that is specific to the aspirations and expectations of the younger audiences.

4

The presence in Maharashtra was strengthened with a subsequent show on Star Pravah; in Bangla GEC space, a show was launched in collaboration with Zee Bangla. Balaji has strategic plans to increase its viewership base and monetisation with increased presence in regional GECs.

6





7

Our movies continued to perform well, with the commercial success of Ragini MMS, launched in May 2011.



Shor in the City, launched in April, 2011 was one of the most critically acclaimed films of 2011; moreover, our venture into regional movies also created a sensation, with the success of Taryanche Bait, in Marathi.



8



Performance Highlights

Operational highlights



In fiction shows genre, Pavitra Rishta consistently maintained its stature as the highest TRP grossing show

Launched three new shows in FY 2011

Tere Liye
Pyaar Kii Ye Ek Kahaani
Kitni Mohabbat Hai



Pyaar Kii Ye Ek Kahani emerged as the No. 1 show on Star One

Our film Once Upon A Time In Mumbaaai made its mark as a commercial success

Channel-wise programming hours

(in hours)

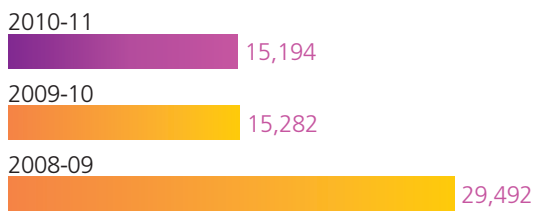
Channel	2010-11	2009-10
Commissioned		
Star TV	105	220
Star One	69	
Star Pravah – Marathi	18	
Sony		89
Colors	57	140
Zee	148	115
Zee – Marathi	125	
Zee – Bangla	14	
Imagine	228	200
Total	764	763
Sponsored		
Sun Network	654	638
Total	654	638
Grand Total	1418	1402



Financial Highlights

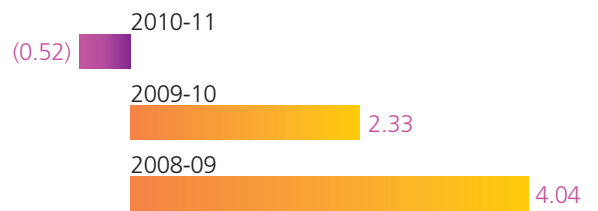
Income from operations

(₹ in Lacs)



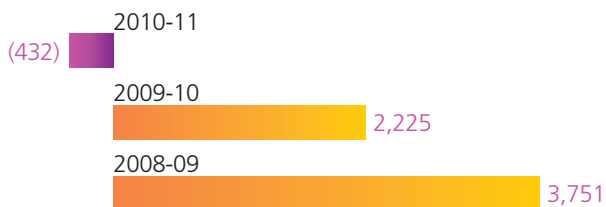
EPS

₹



PBT

(₹ in Lacs)



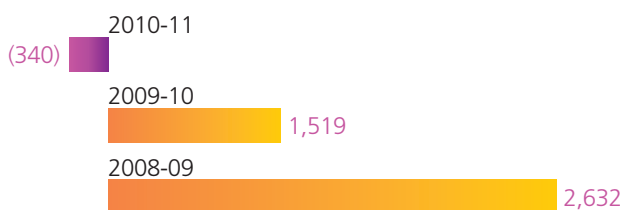
Reserves

(₹ in Lacs)



PAT

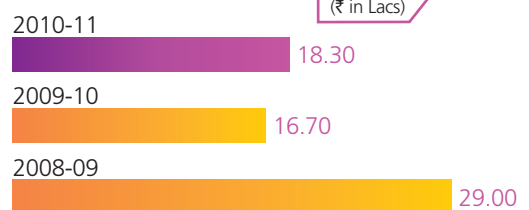
(₹ in Lacs)



Realization per hour

(Commissioned Show)

(₹ in Lacs)



Letter to the shareholders

Dear Shareholders,

Despite multiple domestic challenges and weak global recovery, the Indian economy has demonstrated its thirst for sustained growth, driving a qualitative change in lifestyles and aspirations. The media and television industry in India reflects this transformation significantly, and is today a sector that has evoked global interest.

2010-11 will be remembered as the precursor of significant transformation in media and entertainment in India. The advanced digitization is evolving the industry at a speed never seen before. The consumers are gradually realizing the benefits of advanced technology, and consequently, the High Definition channels are enjoying greater penetration in the Indian market. On the other hand, the regional markets are also growing rapidly. With more opportunities for rural income generation, India's rural market for entertainment has grown phenomenally.

In fact, rural market was the major growth driver for the digital TV growth in India. The Indian film industry is also growing attractively. Domestic box office revenues registered high growth in 2010-11, backed by growing multiplex penetration. Even though the traditional formula of big budgets and star power continues to be accepted, the audience has started appreciating experimental and niche content. This is an unmistakable paradigm shift of viewer preferences which Balaji seeks to capitalize on.

At Balaji, we have always acknowledged the fact that 'content is king'. Nothing can overcome a powerful and a convincing storyline. We have evolved significantly with the changing entertainment requirements of viewers and provided unmatched creative content to our shows. Our versatility in content helped us to fulfill specific entertainment requirements for multiple viewer categories. To leverage the burgeoning opportunities in the Indian film industry, we have enhanced our focus on film production and successfully established BMPL as a serious player in the film industry.

We have encountered many hardships in the current fiscal and this has impacted our financial performance, but we are confident to overcome the challenges by virtue of our deep market insight and understanding of evolving viewer aspirations. Moreover, we are thriving to create a professionalized working environment with a rationalized cost model and optimum utilization of talent and resources.

At Balaji, we have come a long way since inception, but our job is only half done. We will continue our mission with greater vigour, to ensure that we retain our leadership and continue to create game changing content. I am confident that our team has the capabilities to take on the industry challenges and move forward. I would like to convey my gratitude to all our investors, business partners, viewers and all the members of the Balaji family for their guidance and support.

Warm regards,

Jeetendra Kapoor



Jeetendra Kapoor, Chairman

At Balaji, we have always acknowledged the fact that 'content is king'. Nothing can overcome a powerful and a convincing storyline.

Managing Director's **review**



Shobha Kapoor,
Managing Director

We are also focusing on creating a dynamic team of committed individuals, who can help us scale new heights and set high standards of individual and collective excellence.

Dear Shareholders,

We have always believed in tenacity to continue doing things differently to gain traction in an evolving market scenario. When markets evolve in a rapidly developing economy, the need of the hour is a consistent vision to create an organization that is responsive to changing industry paradigms, such as viewing preferences, technology breakthroughs and creative innovations.

Our creative capabilities had set industry benchmarks in the past, and we are committed to build on our previous achievements. However, increased competition, changing regulations and reduced show lives have considerably impacted our performance. Such a scenario has warranted a thorough scrutinising of priorities and business strategies. Today, we have expanded our spectrum to the fast growing regional markets and film industry. Collaborating with different regional channels, we have ambitious plans to tap the regional markets across India. To capitalize on the immense potential of Indian movie space, we are now more focused towards production and distribution of films.

During the fiscal gone by, we had several successful film launches in our basket, and we will continue focusing on the same. Even in Hindi GECs, we are offering compelling variety. We are now present in all leading channels which include Star, Zee, Colors, Sony and the Sun Network. Our presence has been amplified with shows in all possible time bands, including evening, prime time and late night shows.

Balaji is also focusing on event-based entertainment as a genre to establish our footprint.

Our creative instinct is well-known. However, our other important strength, built over the years is the infrastructure we have invested in, and our abilities to handle multiple projects simultaneously, leading to a diverse repertoire of offerings. We will continue to focus on this important aspect of our corporate credo – not applying all our ideas in one property and instead, focusing on multiple projects at the same time.

At Balaji, sustainability is a derivative of consistent and efficient operations to stay afloat in a persistently inflationary environment. We have further improved operational efficiencies in terms of shifts taken per episode, rationalizing space / resource utilization and disciplined shooting schedules. We are also focusing on creating a dynamic team of committed individuals, who can help us scale new heights and set high standards of individual and collective excellence.

Amidst the dynamic change witnessed by our industry, the one thing that will never change is consistent viewership demand for unique entertainment and the viewers readiness to pay a premium for the same. This reality will drive our strategies to emerge as a prominent national brand, generating shareholder value.

Warm Regards,

Shobha Kapoor

Joint Managing Director's message



Ekta Kapoor,
Joint Managing Director

Dear Friends,

When people talk of consistency in creativity it seems almost like a contradiction in terms. Creativity by definition is something that is random, unexpected and different every single time. As a company that has institutionalised creativity, our challenge therefore is not to be consistent. But, to be able to sustain growth and audience interest levels, while offering different content and subjects consistently.

Balaji has a track record of consistent innovation and introducing many firsts in the Indian entertainment space, primarily television channels. We catalysed the growth of Hindi GECs through our immensely popular shows. Our easy-to-understand (yet engaging) content has turned our serial protagonists into familiar faces across rural and urban households. We have introduced numerous new faces in the industry, breaking the talent-monotony in Indian daily soaps. However, what is it that we want to do next? That is the question that we spent a large part of 2010-11 addressing.

So what is that we discovered. Firstly, it's the difference that we bring to the art of storytelling through each of our shows – intricate relationship matrix at every stratum and cultural group in Indian society, the challenges of life in rural India; or even the growing focus on women empowerment across the social pyramid. Now each of these ideas may be different, but the appeal to people across the country. And since there is a large regional language audience in India, we thought it relevant to extend our presence to creating content in regional languages too.

A successful extension of reach to regional audiences reflects our aptitude to take on challenges and an ability to forge closer bonds of trust and respectability with the people and culture of a particular region.

Much the same way, we are able to create films with non-conventional subjects, or cinematic treatment. Our films have been widely acclaimed by viewers and critics in FY 2010 - 11. This testifies to our commitment to deliver engaging content, that is reflective of an alternate mindset. Once Upon a Time in Mumbai, Shor in the City and Taryanche Bait are examples of differentiated cinema. We are happy to have the conviction and courage to invest in them, and involve ourselves comprehensively from the script to distribution stage.

At Balaji, our innovative involvement with our content – be it films, events or television shows allows us to creatively execute and control the entire process, leading not just to financial economies, but more importantly, to a product that is well calibrated and tuned to audience aspirations.

In the next few months, we are planning to launch a number of new television shows and movies. The future for us will be challenging as well as exciting. You can expect more creative initiatives and further captivating entertainment from Balaji in the coming years. In doing what we do, we will definitely not be consistent, but our business will be sustainable even as we continuously raise the bar and shift paradigms.

Warm Regards,

Ekta Kapoor

Our films have been widely acclaimed by viewers and critics in FY 2010 - 11. This testifies to our commitment to deliver engaging content, that is reflective of an alternate mindset.

Balaji shows on television

Sr. No.	Name of the Show	Channel	Time slot	Days of telecast
Commissioned Hindi GEC Shows				
1	Tere Liye*	Star Plus	22.00 - 22.30	MON - FRI
2	Pavitra Rishta	Zee TV	21.00 - 21.30	MON - FRI
3	Keshav Pandit*	Zee TV	20.30 - 21.30	SAT - SUN
4	Pyaar Ka Bandhan*	Sony Entertainment TV	20.00 - 20.30	MON - THU
5	Bandini*	Imagine TV	22.30 - 23.00	MON - FRI
6	Kitani Mohabbat Hai	Imagine TV	20.00 - 20.30	MON - FRI
7	Sarvagun Sampanna*	Imagine TV	20.00 - 20.30	MON - FRI
8	Bairi Piya*	Colors	20.30 - 21.00	MON - FRI
9	Pyaar Kii Ye Ek Kahaani	Star One	20.30 - 21.00	MON - FRI
Commissioned Regional GEC Shows				
1	Bandh Reshmache	Star Pravah	20.30 - 21.00	MON - SAT
2	Maziya Priyala Prit Kalena	Zee Marathi	20.00 - 20.30	MON - SAT
3	Konya	Zee Bangla	20.00 - 20.30	MON - SAT
Sponsored Regional Shows				
1	Kotha Bangaaram	Gemini TV	19.00 - 19.30	MON - FRI
2	Kaliyuga Raamayanam*	Gemini TV	22.00 - 22.30	MON - FRI
3	Kalyani	Udaya TV	19.00 - 19.30	MON - FRI
4	Kadiruve Ninagaagi*	Udaya TV	22.00 - 22.30	SAT - SUN
5	Kanmaneeye*	Sun TV	11.30 - 12.00	MON - FRI
6	Kasthuree	Sun TV	11.30 - 12.00	MON - FRI
7	Kadhparayum Kavyanjali*	Surya TV	18.30 - 19.00	MON - FRI

* Shows now off-air



Board of Directors



1



2



3



4

1. Jeetendra Kapoor (Chairman)

In a career spanning more than four decades, Mr. Jeetendra Kapoor has acted in over 200 films. He was one of the most popular matinee idols of Bollywood in 1970s and 1980s. His acting skills and evergreen screen presence has remained etched in the minds of millions of Bollywood fans even today. He was awarded the Filmfare's Lifetime Achievement Award, the Legends of Cinema Award and the Dadasaheb Phalke Academy Award in recognition of his contribution to the Indian film industry. An institution in himself, Mr. Kapoor has been the Company's Chairman since 2000.

Mr. Kapoor's extensive relationships in the Indian entertainment industry opened new business frontiers for Balaji.

2. Shobha Kapoor (Managing Director)

Ms. Shobha Kapoor has been responsible for strengthening the brand 'Balaji' from very modest beginnings to one of India's most respected brands in the Indian Media and Entertainment industry. She has steered the Company's operations since inception. She guides the Group CEO with her vast experience and expertise. Ms. Kapoor has won several awards for her entrepreneurial skills: CEO of the Year (Indian Telly Awards), Business Woman of the Year (The Economic Times), and numerous Best Producer awards for television shows produced by Balaji.

3. Ekta Kapoor (Joint Managing Director)

Ms. Ekta Kapoor has almost singlehandedly revamped India's television landscape. She pioneered an entire genre of television content, creating some of the most successful shows and paving the way for India's satellite television boom. Balaji's pioneering shows have enhanced channel revenues. As the creative force behind Balaji's success, Ekta believes in a hands-on approach to the day-to-day creative direction of each of Balaji's TV shows and films, routinely putting in 16-18 hours every day. Ekta is Balaji's principal innovator, whose ideation abilities encompass television and motion pictures.

Ekta's pioneering work at a very young age has earned her several distinguished awards, including The Economic Times (Business Woman of the Year 2002) award, Ernst & Young (Entrepreneur of the Year 2001) award and recognition from the American Biographical Institute (Woman of the Year 2001), among others. Driven by her creative zeal, Balaji has also won every major television award in India.

4. Tusshar Kapoor (Director)

An MBA from Michigan University, U.S.A, Mr. Tusshar Kapoor is an accomplished Bollywood actor, who has been inspired by his father, Mr. Jeetendra Kapoor and has a good fan following. He also devotes time for steering the operations of BMPL.

Tusshar's first movie with Kareena Kapoor titled 'Mujhe Kuch Kehna Hai' catapulted him to immediate stardom. He has won prestigious awards such as the Filmfare Award and the Zee Cine Award for the Best Male Debutant.



5. Akshay Chudasama

Widely respected for his deep insight in corporate law, Mr. Akshay Chudasama is a partner at J.Sagar Associates. He specializes in Mergers and Acquisitions, Joint Ventures, Cross Border Investments and Private Equity Funds.

6. Pradeep Sarda

Chairman of the Sarda Group of Companies, Mr. Pradeep Sarda possesses rich experience across multiple industry verticals, including paper, engineering, construction and real estate. He is Chairman of the Governing Board of the Ecole Mondiale World School.



7. D G Rajan

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



8. Ashutosh Khanna

Mr. Ashutosh Khanna is based in Korn/Ferry International's New Delhi office, from where he heads the firm's Global Consumer Markets practice. Mr. Khanna leverages the deep relationships he has built within the marketing and advertising fraternity to work closely with clients for senior level placements in the industry.

Management Discussion and Analysis

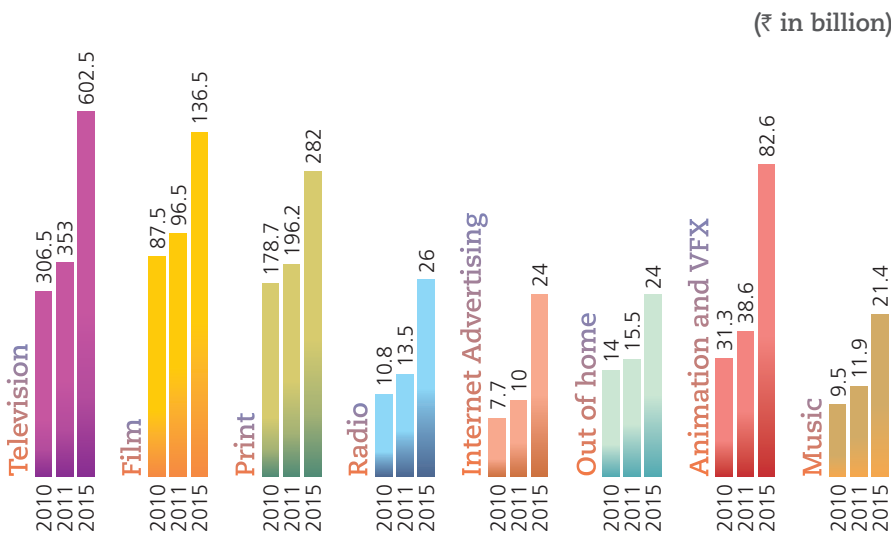
RESURGENCE OF THE MEDIA AND ENTERTAINMENT INDUSTRY IN 2011

Overcoming the effects of economic slowdown, fiscal 2011 emerged as a year of resurgence for the Media & Entertainment (M & E) industry. The industry projected an overall growth of 11.2% in 2010, compared to a growth of 2.2% in the previous fiscal. Growing media consumption and positive industry sentiment helped Indian M & E industry to grow from ₹ 580.8 billion in 2009 to ₹ 646 billion in 2010. Further the industry is poised to reach to ₹ 735.2 billion by 2011 and ₹ 1,198.9 billion by 2015, registering a CAGR of 13.2%.

The television and print media continues to dominate the industry. However, emerging sectors like digital advertising, gaming and animation VFX hold immense potential. India has also emerged as the seventh largest market for social media consumption globally, which brings the sector into focus to reach out to new audiences.



Size and projection of Indian M & E Industry



Power of digitization

Digitization appeared as one of the growth drivers of the Indian M & E Industry, with a robust growth of 75% in 2010 compared to the previous fiscal, by adding 12 million subscribers. Regulatory push on digitization, ongoing 3G rollouts, and increased penetration of broadband and mobiles are further expected to drive the digitization growth.

INDIAN TELEVISION INDUSTRY

With approximately 138 million TV households, India is the 3rd largest television market of the world. New technologies, like High Definition (HD) and Set Top Box (STB) with inbuilt recorder and delivery platforms are rapidly making a sound presence in the industry. Cable and satellite (C&S) has penetrated close to 80% of the total market. In 2010, Indian television has added 100 million viewers, where as the number of channels reached to 550 channels in the current fiscal, compared to previous fiscal's 460 Channels. On the other hand, the regional television is growing rapidly with increased viewership. The national players are increasing their presence with new regional channels to tap the market potential.

CAGR %
14.5
9.3
9.6
19.2
25.5
11.4
21.4
17.6

* Estimation of FY 2011 and FY 2015

KEY TRENDS AND DEMAND DRIVERS

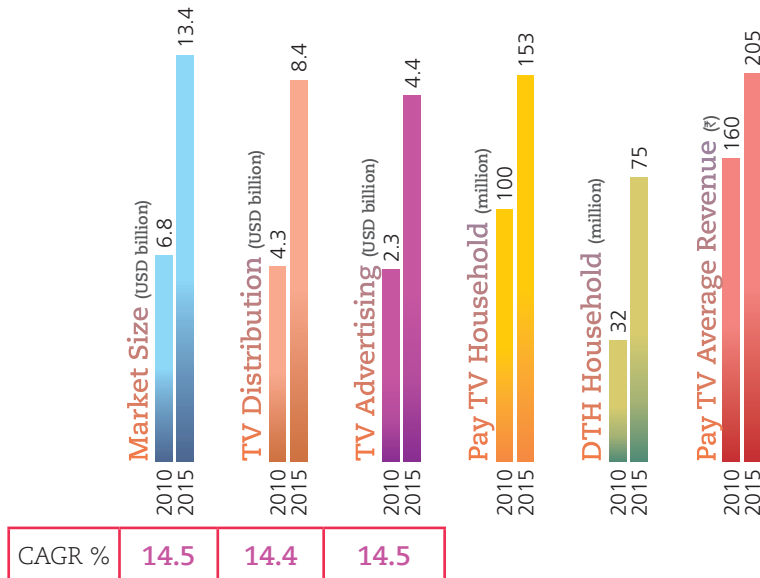
Focus on profitability

Increased competition is creating a huge impact on the industry, despite an optimistic growth projection. The industry players are focusing more on implementation of advanced technologies such as planning, budgeting, CRM and strategic outsourcing to achieve profitable growth.

Increased media penetration

Increased per capita income results in increased spending in entertainment. Moreover, with the saturation in Metros and Tier I cities, media companies are penetrating Tier 2 – Tier 3 cities and rural markets.

Indian Television Industry at a glance



TRENDS OF 2010

The growth of the television industry was driven by the advertising revenue

Distribution segment had grown due to incremental growth in DTH

Regional television showed increased growth in advertising

Regional channels are focusing more on kids' channels

Broadcasters are coming up with rebranding for a greater connect with younger audiences

IPL 3 and other cricketing events propelled the growth of Sports channels

The Rural Market: Catalyst to drive the Digital DTH Growth in India

The growth of digital TV in rural India has doubled the share of pay-DTH. The rural segment posted an increase in digital segment of 64% in 2010, compared to a growth of 49% in 2009. The growth is reasonable considering the fact that the rural belts of India face 10 to 12 hours power cut every day.

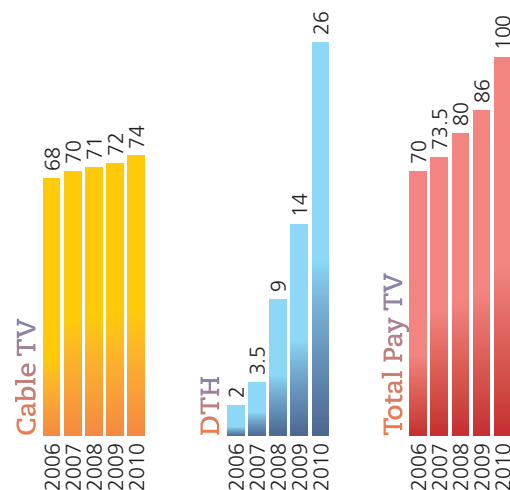
64%

Increase in digital segment

DISTRIBUTION INDUSTRY

The distribution industry is the largest part of the television industry, contributing about 63% of the total revenue. It consists of subscription revenue obtained from the pay TV households. The industry is fragmented with 50,000+ Local Cable Operators(LCO), 7,000+ Multi System Operators (MSO) and 6 Direct to home (DTH) operators, where the top 5 MSOs account for less than 30% of the revenue. The high growth of DTH industry and advances in digitization resulted in a 16.4% growth of the distribution industry in the current fiscal, compared to that of the previous year. The sector is expected to continue its steady growth and add more to the overall television revenue.

Pay TV Households in India (in million)



TELEVISION ADVERTISING INDUSTRY

Indian advertising industry has shown strong growth in advertising volumes, aided by the launch of new channels in 2010. Sectors, such as FMCG, telecom and financial services have propelled the growth. The television advertising has grown to ₹ 101.5 billion in 2010, registering a growth of 14% over ₹ 89 billion in 2009. It contributes a third of total television industry revenue, and 41% of the total advertising revenue. However, Indian television advertising industry is still at a nascent stage compared to the developing countries (Indian television advertising market stands at USD 2.2 billion compared to the television advertising market of USD 70.7 billion in USA).

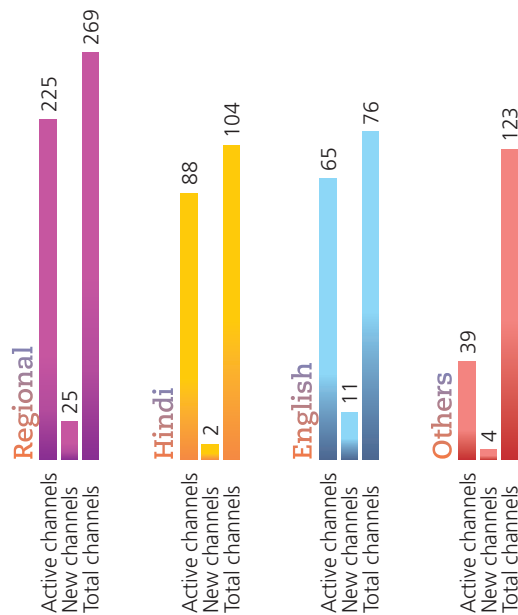


THE CONTENT INDUSTRY

Driven by the growth in non-fiction shows and regional markets, the Indian content industry achieved a growth of 13% in 2010, compared to the last year. The sector reported revenue of approximately ₹ 13 billion in the current year, compared to previous fiscal's revenue of ₹ 11.5 billion.

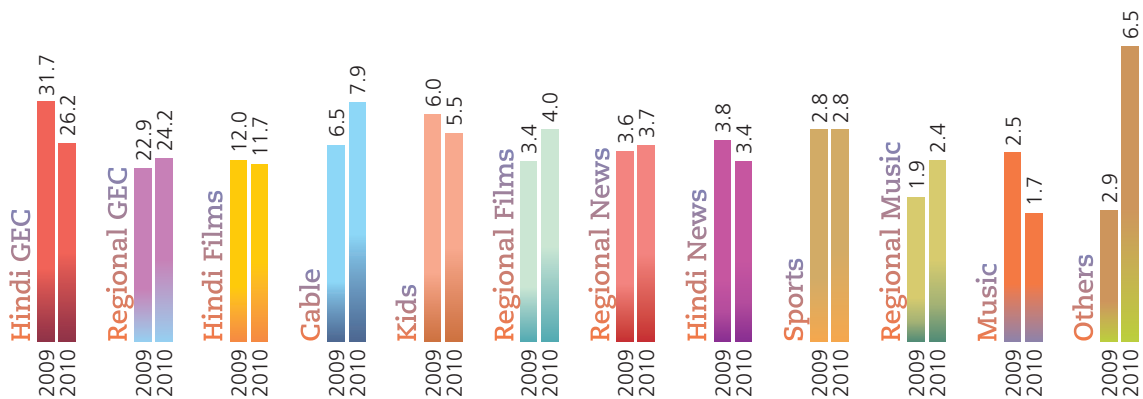
Year 2010 showcased varied trends, with entry of approximately 42 new channels, availability of Hindi General Entertainment Channels (GEC) across the globe, growth of regional GECs, new remakes of popular Hindi serials and popularity of non-fiction shows.

Total TV Channels in 2010



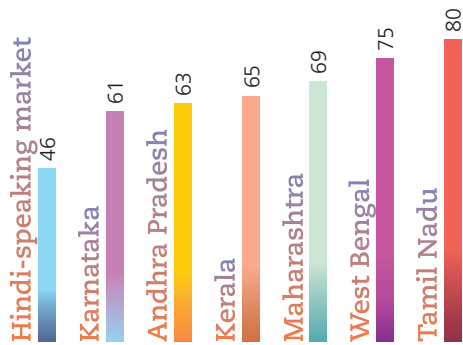
(Source: TAM)

Share of viewership across genres (%)



(Source: TAM CS 4+ YRS All India)

Viewership share of top 2 players in Regional GECs (%)



Market share acquired by top 2 players

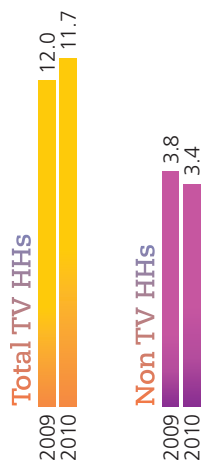
GROWTH POTENTIAL

Compared to the global television industry, the size and scale of Indian television is much smaller and compared to other growing sectors like retail, telecom and IT, the sector registers lower profit margin. However, there are many factors that can create ample opportunities in the sector.

- India is the only country with 88 million non TV households. Nevertheless, the television penetration in the country is growing rapidly.

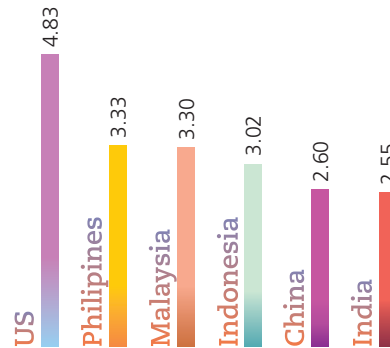
Growth in number of TV Households in India

(No. in million)



- Average time spent on television in India is around 3 hours in a metro and 2 hours in a non-metro, which is much lower compared to that of the developed and emerging nations.

Average Time Spent Watching Television (Hours per Day)



- Indian consumers pay only USD 3.5 per month on pay TV, compared to that of USD 15 by Americans. However, increased time spent on television and changing entertainment requirements result in changing audience behaviour.
- The entry of High Definition channels into Indian Television is expected to drive the growth. On the other hand, increased affordability of LCD TVs and HD ready STBs is expected to increase the overall Average Revenue Per User in the coming years.

KEY ISSUES

- The sector is yet to achieve complete digitization
- The Average Revenue Per User in television industry is still low in India, which may increase payback time
- The measurement tools need to be improved for measuring viewership

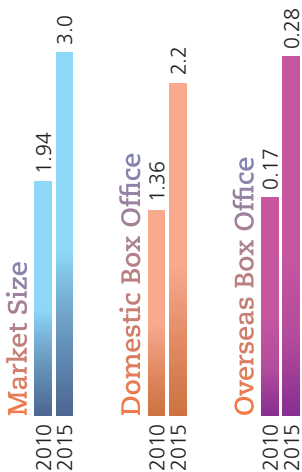
THE INDIAN FILM INDUSTRY

Fiscal 2011 was a challenging year for the Indian film industry as most of the movies failed to create an impact on box office. 215 Hindi movies were released in 2010, compared to 235 in 2009, whereas there were 1,059 regional releases, compared to 1,053 in 2009. The number of movies ensured a reasonably consistent flow of content in Indian films, and there were no multiplex-producer standoff or prolonged back window for releases. However, lack of quality content and support from exhibitors and distributors resulted in a negative growth of 6.7% in 2010, compared to that of previous fiscal. Nevertheless, the industry is expected to reach a market size of ₹ 136.5 billion by 2015, growing at a CAGR of 9.3%.

Key revenues of Indian film entertainment consists of consumer spending on tickets at the domestic and overseas box office, buying and renting CDs and DVDs (home filmed entertainment), revenues from cable and satellite syndication (broadcast syndication), mobile, online and other new age medias (ancillary revenue). Almost 70% of the total film revenues come through domestic box office, with Hindi movies drawing about 50-55% revenues.

Indian Film Industry at a glance

(₹ in billion)



CAGR %

9.3 10.1 10.2

TRENDS OF 2010

- Though big-budget movies starring superstars had strong opening week collections, they failed to continue foot-falls in the following weeks due to lack of content. However, filmmakers had moderate recovery through presale of cable and satellite rights.
- Small-budget movies with original storyline and innovative content gained wider acknowledgement and took on big-budget movies.

- Single screen theatres had poor profitability due to stiff competitions from multiplexes, high tax regime and high cost of operations. Number of single screen theatres reduced largely (in Maharashtra alone, number of single screen theatres reduced to 650 from 1080).
- Social networking emerged as a pathbreaking and important channel in film marketing.

GROWTH POTENTIAL

Flourishing growth of the multiplexes

The box office revenues were driven by the success of multiplexes. In 2010, the multiplexes registered double digit growth and they are further trying to increase the occupancy rates by adding new properties and introducing new offers and schemes.

Growth potential of number of screens and average ticket price (ATP)

Indian audience have only 12 screens per million compared to 77 screens per million in France and 117 screens per million in USA. The average ticket price of movies in India is also very less compared to the global standard (only USD 0.69 in India compared to USD 7.89 in US and USD 8.19 in Canada). Nevertheless, rising middle class, growing per capita disposable income, growing demand of entertainment and investment by multiplexes can change the scenario and lead the growth of the industry.

Promising cinema advertising

As in-screen advertising is a cost effective way to reach the target audience and get their full attention, advertising agencies are increasing their concentration in this segment. Currently, the in-cinema advertising market is estimated to be approximately ₹ 1.5 billion. With increased attention, the cinema advertising market of India is poised to grow, which will drive the growth of Indian film industry.

Growth of Pay per view market

The Pay per view market (PPV) in India is still at an emerging state in India. However, the sector is gradually making a presence in India, with the DTH operators lowering the price of PPV films (price range: ₹ 25 – 50). Going forward, the PPV market has huge potential to contribute to DTH growth.

Increased revenues from Hollywood films

The Hollywood movie market is on a growth path in India. Hollywood movies provided good quality content in 2010, bridging the gap created by lack of content in Hindi movies. Hollywood movies registered a growth of 30% in 2010, growing from ₹ 3 billion in 2009 to ₹ 4 billion in 2010.

KEY ISSUES

- Shortage of movie screens and infrastructure
- Lack of quality content
- New releases during cricketing season lowering the film revenue
- Piracy

FY 2011: PERFORMANCE OVERVIEW OF THE GROUP

- Income from operations increased by 22%, growing from ₹ 15,873.50 Lacs in 2010 to ₹ 19,363.85 Lacs in 2011
- The commissioned programmes had contributed ₹ 12,913.80 Lacs in 2011 compared to ₹ 12,836.16 Lacs in 2010. However, revenue from the sponsored shows declined from ₹ 2,444.25 Lacs in 2010 to ₹ 2,280.34 in 2011.
- The film segment achieved exponential growth of more than 600%, increasing from ₹ 591.09 Lacs in 2010 to ₹ 4,169.71 Lacs in 2011





KEY CONCERNS

- Competition amongst channels, which is leading to higher expectation of speedy performance
- Shortened show life
- Change in Government policies
- Piracy
- Increased talent and labour cost
- Ambiguous Tax and Regulatory environment

RISK MANAGEMENT

Risk: Increased competition due to entrance of small players that has fragmented the market. It may adversely affect the bargaining power of the Company with channels.

Mitigation: Over the years, Balaji has established itself as an undisputed leader amongst the Hindi GEC's content providers and enjoys strong brand recognition with a considerable premium. The Company's focus on creative output ensures a larger show life which reciprocates in premium valuation.

Risk: Changes in the Government policies can increase the overall costs.

Mitigation: The Company academically keeps track of the changing regulations and is well positioned to absorb the changes in tax environment.

Risk: Dependence on a single channel and specific region programming may affect the profitability of the Company.

Mitigation: Balaji offers a diversified business portfolio which includes films, distribution and live events, apart from the television content. Moreover, it has a strong presence across the top 5 Hindi GECs and it is actively foraying into the regional markets.

Risk: Shift in the entertainment preference of the audience may have detrimental effect on the bottom-line.

Mitigation: The talent pool of the Company conceives original concepts and content for television and films to match the changing customer preferences.

Risk: Retention of the talent pool is one of the major concerns of the Company.

Mitigation: The brand name 'Balaji' has always managed to attract and retain cream talent from the industry.

FUTURE OUTLOOK

Balaji Telefilms has strategically positioned itself in the Indian M & E industry to capitalize the future growth opportunities in television and film entertainment strata. The television vertical is focusing on creating original and diverse show content to retain its leadership in Hindi GECs. It is also penetrating the regional GECs to leverage on the increasing opportunities in those markets. On the other hand, the film vertical of the Company is growing rapidly. Recent trend shows a demand for original content for films, making the

business environment more dynamic and demanding. The Company is focusing on identifying and nurturing talent to generate out of the box scripts and filmed content to meet viewer expectations. Moreover, it has also focused on increasing the distribution capabilities and marketing of the films. All inclusive, the Company is poised to return on tracks with the tremendous growth opportunities offered by the M & E industry.

INTERNAL CONTROL SYSTEM

The Company understands the necessity of a well-defined organizational structure and strong internal growth. The organizational structure ensures maximum utilization of resources and safeguards the same from misuse; where as the Audit Committee ensures statutory and regulatory control and transparency of all financial disclosures. It also has an internal audit team and an independent commercial team, which monitor and enhance operational efficiencies of the Company. All the internal reports are reviewed by the Audit Committee and the Board of Directors at regular intervals and whenever required, the policies are amended to ensure optimum effectiveness of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and the annual report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations in India and other countries. Actual results could defer materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting the domestic market in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors and unforeseen circumstances.

Directors' Report

Your Directors take pleasure in presenting the Seventeenth Annual Report together with the audited statement of accounts of the Company for the year ended March 31, 2011.

Financial results

Particulars	₹ in Lacs	
	2010-11	2009-10
Income from operations	15,194.14	15,282.41
Total expenditure	16,162.93	15,340.87
Operating profit /(loss)	(968.79)	(58.46)
Interest	-	-
Depreciation	1,117.82	1,033.43
Operating profit /(loss) after interest and depreciation	(2,086.61)	(1,091.89)
Other income	1,654.62	3,317.16
Profit before tax	(431.99)	2,225.27
Provision for taxation	91.61	706.18
Net profit after tax	(340.38)	1,519.09
Balance brought forward from previous year	19,427.53	18,290.55
Appropriations		
Disposable profits	19,087.15	19,809.64
Proposed dividend	130.42	195.63
Corporate dividend tax	21.66	33.26
Transfer to general reserve	-	153.22
Balance carried to Balance Sheet	18,935.07	19,427.53

RESULTS OF OPERATIONS

For the year ended March 31, 2011, the Company earned total revenue of ₹ 16,848.76 Lacs, a decrease of 9.41% over the previous year's ₹ 18,599.57 Lacs. As per the consolidated accounts, the total revenues have increased by 9.70% from ₹ 19,190.54 Lacs to ₹ 21,052.27 Lacs in the year under review. The Company incurred net loss of ₹ 340.38 Lacs during the year under review as compared to a net profit of ₹ 1,519.09 Lacs in the previous year.

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

APPROPRIATIONS

Dividend

In accordance with the provisions of Companies (Declaration of Dividend out of Reserves) Rules, 1975, the Directors recommend a final dividend of ₹ 0.20 per share (10 per cent on a par value of ₹ 2 per share) for the approval of the members. The final dividend, if declared as above, would involve an outflow of ₹ 130.42 Lacs towards the dividend (previous year ₹ 195.63 Lacs) and ₹ 21.66 Lacs towards dividend tax (previous year ₹ 33.26 Lacs), resulting in a total outflow of ₹ 152.08 Lacs.



Transfer to Reserves

Since the Company has incurred losses during the year, no amount has been transferred to the General Reserve. Dividend has been declared out of the accumulated profits available for distribution. Post proposed dividend, an amount of ₹ 18,935.07 Lacs has been retained in the Profit and Loss Account.

Subsidiary

The Company has one wholly owned subsidiary i.e. Balaji Motion Pictures Limited (BMPL), incorporated in March 2007, to handle the filmed entertainment business.

The year has been an eventful one for BMPL. The box office blockbuster, 'Once Upon A Time in Mumbaai', emerged as one of the most celebrated films of the year, bagging multiple awards in various categories.

Subsequent to the financial year end, 'Shor in the City', the most acclaimed film of the season, and 'Ragini MMS', an unconventional paranormal thriller, were both released successfully, and established the company's Alt brand, which stands for new-age commercial cinema with alternate sensibilities.

In April 2011, BMPL forayed into regional cinema with its maiden Marathi co-production, 'Taryanche Bait', which received an overwhelming response from the media and audiences alike, and set new precedents at the box office.

BMPL is currently filming its forthcoming multi-starrer, 'The Dirty Picture', which is due for a release later this year.

A number of other projects are under active discussion. The Company expects to release as many as five films in 2012-2013, compared to four in 2011-2012 and two in 2010-2011.

BMPL achieved a turnover of ₹ 4204.71 Lacs as against ₹ 592.17 Lacs during the previous fiscal. In the current financial year, BMPL has reported profit of ₹ 288.86 Lacs against a loss of ₹ 889.90 Lacs for the previous fiscal.

Directors

Mr. Ashutosh Khanna and Mr. Tusshar Kapoor were appointed as Additional (Non-Executive) Directors of the Company with effect from August 27, 2010. As per the provisions of section 260 of the Companies Act, 1956, they will hold office upto the date of the ensuing Annual General Meeting of the Company.

The Company has received notices under section 257 of the Companies Act, 1956, together with requisite deposit proposing appointment of Mr. Ashutosh Khanna and Mr. Tusshar Kapoor as Directors of the Company.

Mr. Akshay Chudasama and Mr. Pradeep Sarda retire by rotation at the ensuing Annual General Meeting. Mr. Akshay Chudasama and Mr. Pradeep Sarda being eligible, offer themselves for re-appointment.

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

MANAGEMENT

Mr. Manuj Agarwal was appointed as Chief Executive Officer - Television, effective July 30, 2010. Mr. Uday Sodhi, Chief Executive Officer - New Media, resigned effective September 18, 2010 and Mr. Punyashlok Bhakta was appointed as Chief Executive Officer - New Media, effective April 4, 2011.

AUDITORS

M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai and M/s. Snehal & Associates, Chartered Accountants, Mumbai, the Joint Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have also confirmed their eligibility and willingness for re-appointment if made the Joint Auditors of the Company and confirmed that, if appointed as auditors for the year 2011-12, their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2010-11.



The year has been an eventful one for BMPL. The box office blockbuster, 'Once Upon A Time in Mumbaai', emerged as one of the most celebrated films of the year, bagging multiple awards in various categories.

PARTICULARS OF EMPLOYEES

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

Sr. No.	Full Name	Current Designation & Nature of Duties	Gross Remuneration	Qualification	Date of Joining	Experience	Age	Previous Employment
1	Anurag Gupta	Chief Executive Officer - Education Business	95,24,598	PGDBM IMT Gaziabad	25-Feb-10	19 Years	42	Chief Executive Officer, Frankfinn Institute of Air Hostess Training
2	Ekta Kapoor	Joint Managing Director	1,32,30,600	-	10-Nov-94	16 Years	36	N/A
3	Ketan Gupta*	Chief Operating Officer - Special Projects	8,95,050	B.Com	1-Feb-2011	14 Years	33	Head - Production & Operations, Fox Television Studio India Pvt. Ltd.
4	Manuj Aganwal*	Chief Executive Officer - Television	55,69,515	PGDM - MARKETING	16-Jul-2010	13 Years	36	Chief Operating Officer, Percept Ltd.
5	Puneet Kinra	Group Chief Executive Officer	2,75,25,141	MBA in Strategy & Finance	15-Oct-08	17 Years	39	Associate Director, PricewaterhouseCoopers Pvt. Ltd.
6	Shobha Kapoor	Managing Director	1,10,12,400	-	10-Nov-94	16 Years	62	N/A
7	Uday Sodhi*	Chief Executive Officer - New Media	32,11,992	MBA	16-Feb-09	20 Years	45	Senior Vice President, Interactive Services, Rediff.com India Ltd.

Note:

- The gross remuneration shown above comprises of salary, commission, allowance, Company's contribution to provident fund, gratuity fund, medical insurance and monetary value of the perquisites as per income tax rules.
- The nature of employment in all cases is contractual. Services of Ms. Shobha Kapoor and Ms. Ekta Kapoor are terminable by twelve months' notice respectively. Services of all other employees mentioned above are terminable by either party, by giving three month's notice.
- None of the employees mentioned above are related to any Directors of the Company, except for Ms. Shobha Kapoor and Ms. Ekta Kapoor, who are related to each other.
- As on March 31, 2011, Ms. Shobha Kapoor held 1,00,37,500 shares constituting 15.39% and Ms. Ekta Kapoor held 1,00,24,066 shares constituting 15.37% of the issued and paid up share capital in the Company, respectively.
- * Indicates employed for part of the year.

PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956

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

AUDITORS' REPORT

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

CONSERVATION OF ENERGY

Energy conservation measures taken by the Company

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

Additional investments and proposals, if any, being implemented for reduction of consumption of energy

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

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

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

Total energy consumption

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

TECHNOLOGY ABSORPTION

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings and the outgo is ₹ 55.92 Lacs, as given in Point 15 in Schedule 15 (statement of significant accounting policies and notes forming part of accounts) of the Financial Statements.

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

A separate section on corporate governance and a certificate from Auditors of the Company regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the stock exchanges forms part of this Annual Report.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors,

Jeetendra Kapoor
Chairman

May 23, 2011
Mumbai

Corporate Governance Report



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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

- Ensure that the Board, the Employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company

Composition of Board

The Board currently has eight members, of whom two are Executive Directors. The Board has a non-executive Chairman. At present half of the strength of the Board of Directors comprises of Independent Directors.

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

Six meetings of the Board of Directors were held during the year. These were held on April 28, July 19, August 27, October 28 in 2010 and on January 13 and January 25 in 2011. The maximum time gap between any two meetings was not more than four calendar months. None of the Directors of the Company held committee membership of more than ten committees nor committee chairmanships of more than five committees across all companies in which the person was a director.

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

Name of the Director	Attendance Particulars		No. of Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Mr. Jeetendra Kapoor (P, N)	6	Present	10	5	1
Ms. Shobha Kapoor (P, E)	6	Present	9	1	0
Ms. Ekta Kapoor (P, E)	5	Not Present	5	1	0
Mr. Tusshar Kapoor* (P,N)	3	NA	8	0	0
Mr. Akshay Chudasama (N, I)	6	Present	8	5	0
Mr. Dhruv Kaji# (N, I)	1	Not Present	6	5	1
Mr. Pradeep Sarda (N,I)	5	Present	22	5	0
Mr. D. G. Rajan (N,I)	3	Present	11	8	5
Mr. Ashutosh Khanna* (N,I)	3	NA	2	2	2

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

*Mr. Ashutosh Khanna and Mr. Tusshar Kapoor were inducted to the Board of the Company as Additional Directors on August 27, 2010

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

AUDIT COMMITTEE

Terms of Reference

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

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

Composition

The composition of the Audit Committee is as follows:

Chairman	: Mr. D. G. Rajan *
Members	: Mr. Akshay Chudasama * Mr. Jeetendra Kapoor Mr. Pradeep Sarda Mr. Dhruv Kaji #
Secretary	: Ms. Alpa Khandor
Invitees	: Chief Financial Officer, Representatives of Statutory Auditors and Internal Auditor

* Mr. D. G. Rajan took over as Chairman of the Audit Committee from Mr. Akshay Chudasama with effect from August 27, 2010 and was inducted to Audit Committee as member on July 19, 2010

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

Meetings and Attendance

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

Dates of Meetings: April 28, July 19 and October 28 in 2010 and January 25 in 2011.

Attendance

Name of the Director	No. of Meetings attended
Mr. D. G. Rajan	2
Mr. Akshay Chudasama	4
Mr. Dhruv Kaji	1
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

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

SHAREHOLDERS' COMMITTEE

Terms of Reference

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

Composition

The composition of the Shareholders' Committee is as follows:

Chairman	: Mr. Jeetendra Kapoor
Members	: Ms. Shobha Kapoor Ms. Ekta Kapoor
Compliance Officer	: Ms. Alpa Khandor, Company Secretary

Meetings and Attendance

There were no meetings held during the year.

REMUNERATION COMMITTEE

Terms of Reference

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

Composition

The composition of the Remuneration Committee is as follows:

Chairman	: Mr. Ashutosh Khanna*
Members	: Mr. Akshay Chudasama* Mr. Jeetendra Kapoor Mr. Pradeep Sarda Mr. Dhruv Kaji#
Secretary	: Ms. Alpa Khandor

* Mr. Ashutosh Khanna was inducted to Remuneration Committee and appointed as Chairman of the Remuneration Committee in place of Mr. Akshay Chudasama with effect from August 27, 2010.

Mr. Dhruv Kaji resigned as Director effective October 28, 2010

Meetings and Attendance

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

Dates of Meeting: April 23, August 27, and October 28 in 2010 and January 25 in 2011

Attendance

Name of the Director	No. of Meetings attended
Mr. Ashutosh Khanna	2
Mr. Akshay Chudasama	4
Mr. Dhruv Kaji	1
Mr. Jeetendra Kapoor	4
Mr. Pradeep Sarda	3

REMUNERATION POLICY AND DETAILS OF REMUNERATION PAID

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

No performance linked incentives were paid or is payable to the Managing Director and the Joint Managing Director for the year under review. Though both Executive and Non-Executive Directors are entitled to commission @ of 2.5% each, due to insufficient profits none of them were paid any commission.

No remuneration was paid to non-executive directors apart from sitting fees. Although there is eligibility of commission at fixed rate of 0.80% to the Chairman and 0.20% of the net profits of the Company computed in accordance with Sections 349 and 350 of the Companies Act, 1956, to all other Non-Executive Directors as on date with a ceiling of ₹ 3.00 Lacs each, no commission was paid to any director due to insufficient profits. Besides the sitting fees, rent amounting to ₹ 24.78 Lacs paid to Mr. Jeetendra Kapoor (refer Note No. B-8 in Schedule 15 'Notes on Accounts', annexed to the Financial Statements of the year), there is no other pecuniary transaction by the Company with Non-Executive Directors.

Details of the remuneration to the Directors for the year ended March 31, 2011

Name	Designation	Remuneration for the year 2010-2011 (in ₹)					No. of shares held by Non-Executive Directors
		Salary	Perquisites	Sitting Fees	Employer Contribution to Provident Fund	Total	
Ms. Shobha Kapoor	Managing Director	5,520,000	4,830,000	-	662,400	11,012,400	N.A.
Ms. Ekta Kapoor	Joint Managing Director	6,630,000	5,805,000	-	795,600	13,230,600	N.A.
Mr. Jeetendra Kapoor	Chairman	-	-	90,000	-	90,000	4,392,000
Mr. Akshay Chudasama	Director	-	-	90,000	-	90,000	-
Mr. Dhruv Kaji	Director	-	-	15,000	-	15,000	-
Mr. Pradeep Sarda	Director	-	-	75,000	-	75,000	-
Mr. D. G. Rajan	Director	-	-	45,000	-	45,000	300
Mr. Ashutosh Khanna	Additional Director	-	-	45,000	-	45,000	-
Mr. Tusshar Kapoor	Additional Director	-	-	45,000	-	45,000	2,030,250

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

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

GENERAL BODY MEETINGS

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

Annual General Meeting	Day, Date	Time	Venue
14th Meeting	Tuesday, July 29, 2008	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
15th Meeting	Wednesday, July 29, 2009	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
16th Meeting	Friday, August 27, 2010	4:30 p.m.	'The Club', 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.

SPECIAL RESOLUTIONS

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

2008

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

2009 – None

2010

1. Appointment of Mr. Tusshar Kapoor as Executive Director of Balaji Motion Pictures Limited, wholly owned subsidiary of the Company

Two resolutions were passed through postal ballot in February 2011

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

Details of Voting Pattern

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

Person who conducted the postal ballot

Robert Pavrey, Company Secretary in Practice

Whether any special resolution is proposed to be conducted through postal ballot

None

Procedure of postal ballot

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

Disclosures

1. Related Parties transactions

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No. B - 8 in Schedule 15 "Significant Accounting Policies and Notes on Accounts" annexed to the Financial Statements of the year.

2. Compliances by the Company

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

3. Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective

steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

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

Re-appointment of Directors

The individual details of Directors seeking re-appointment at the ensuing Annual General Meeting of the Company are annexed to the notice of Annual General Meeting.

Means of Communication

The Company believes that all stakeholders should have access to adequate information, regarding the Company's position to enable them to accurately assess its future potential. In accordance with the applicable guidelines / listing agreements with the stock exchanges, all information which could have a material

bearing on Balaji Telefilms Limited's share price is released at the earliest.

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

analysts are displayed on the Company's website. No such presentations were made in the current financial year. The Company sends a copy of its half-yearly results to all shareholders.

Managements' Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

1	Date of Book Closure	September 15, 2011 to September 22, 2011 (both days inclusive).
2	Date, time and venue of the Annual General Meeting	September 22, 2011 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai – 400 053.
3	Dividend payment	The Board of Directors has recommended final dividend of ₹ 0.20 per share, i.e. 10% for the year ended March 31, 2011. The final dividend will be paid within the stipulated number of days once it is approved at the Annual General Meeting.
4	Listing on Stock Exchanges	<ol style="list-style-type: none"> 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: +91-22-22721233/34 Fax: +91-22-22721919/3027 (Stock Code – 532382) 2. National Stock Exchange of India Limited, Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91-22-26598235/36 Fax: +91-22-26598237/38 (Stock Code – BALAJITELE)
5	ISIN	INE794B01026
6	Listing Fees	Paid for both the above Stock Exchanges as per listing agreements
7	Listing on Stock Exchanges outside India	Not applicable
8	Registered Office of Company	C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries, New Link Road, Andheri (West), Mumbai – 400 053. Tel: +91-22-40698000, Fax: +91-22-40698181/82 Email: balaji@balajitelefilms.com Website: www.balajitelefilms.com
9	Share transfers in physical, communication regarding share certificates, dividends, change in address etc. may be addressed to	Karvy Computershare Private Limited (Company's Registrar and Transfer Agents) Unit: Balaji Telefilms Limited Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081. Tel: +91-40-23420815-820, Fax: +91-40-23420814 Email: mailmanager@karvy.com
10.	Share Transfer System	

Shares sent for physical transfer are registered and returned within one month from the date of receipt, if the documents are clear in all respects. The Shareholders' Committee meets as often as required. There were no shares transfers in physical form during the year 2010-2011 and no share transfer pending as on March 31, 2011.

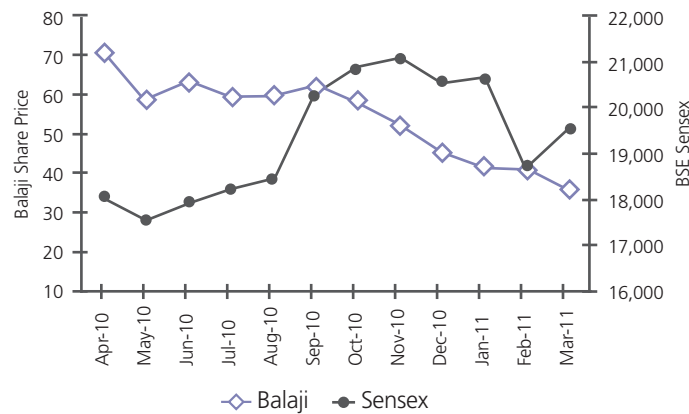
11. Stock Market Data relating to Shares listed in India

The Company's shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, since November 22, 2000. The Company's market capitalisation as on March 31, 2011 was ₹ 21,486.84 Lacs. The monthly high and low quotations as well as the volume of shares traded during the year are as below:

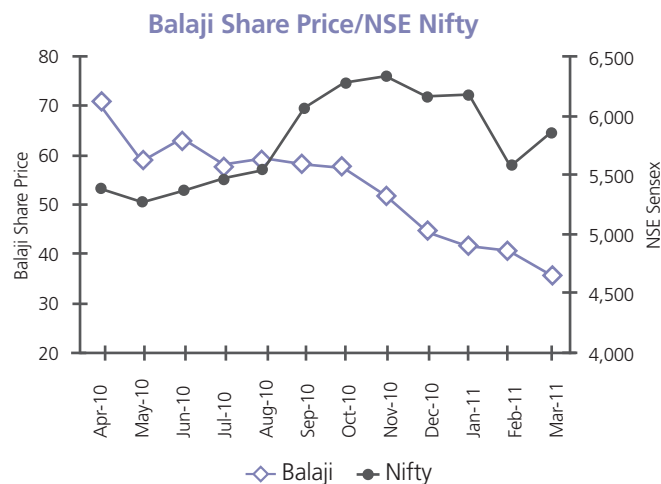
MONTH	BSE			NSE		
	HIGH	LOW	NO. OF SHARES TRADED	HIGH	LOW	NO. OF SHARES TRADED
April	70.60	50.85	11,104,547	70.70	50.00	28,152,555
May	58.40	46.05	2,105,316	58.85	45.90	4,340,933
June	63.35	46.50	6,477,596	63.45	47.00	16,963,489
July	58.65	54.15	2,442,930	58.40	54.05	5,098,415
August	59.45	51.60	3,301,237	59.20	51.55	6,877,622
September	61.75	51.55	2,171,992	58.10	51.80	4,606,290
October	57.90	48.70	1,754,094	57.15	48.35	4,027,976
November	51.90	37.30	1,236,043	51.80	37.05	3,126,674
December	44.90	36.10	1,460,959	44.60	36.40	2,860,584
January	41.35	33.00	1,922,247	41.25	32.60	4,410,090
February	40.90	33.70	1,055,935	40.65	32.75	1,902,823
March	36.00	32.05	665,475	35.90	32.05	1,245,900

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

Balaji Share Price/BSE Sensex



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



Fact Sheet

Items	2010-11	2009-10
Earnings per share (₹)	(0.52)	2.33
EPS – Fully diluted (₹)	(0.52)	2.33
Dividend per share (₹)	0.20	0.30
Number of shares	65,210,443	65,210,443
Share price data (₹)		
High	70.60	78.4
Low	32.05	28.45
Closing	32.95	51.00

12. Investor Service – Complaints Received During the year

Year ended March 31, 2011

Nature of Complaints	Received	Disposed
Non Receipt of Dividend	31	31
Non Receipt of Annual Report	6	6

The Company has disposed of all of the investor grievances. There are no complaints pending as on March 31, 2011.

13. Shareholding Pattern of Balaji Telefilms Limited as on March 31, 2011

Category	No. of shares held	Percentage of shareholding
Promoters	26,483,816	40.61
Foreign Corporate Bodies	16,948,194	25.99
Foreign Institutional Investors	477,237	0.73
Mutual Funds / UTI	1,616,309	2.48
Resident Individuals	10,553,335	16.18
Bodies Corporates	7,300,028	11.19
Indian Financial Institutions / Banks	394,372	0.60
Non Resident Indians	1,049,407	1.61
H U F	342,079	0.52
Clearing Members	45,616	0.07
Trusts	50	0.00
GRAND TOTAL	65,210,443	100.00

14. Distribution of shareholding as on March 31, 2011

Number of Shares	Number of Shareholders	% of total shareholders	Total Shares	Amount	% Holding
1 to 5000	31,428	97.89	6,750,669	13,501,338	10.35
5001 to 10000	361	1.12	1,322,701	2,645,402	2.03
10001 to 20000	150	0.47	1,131,454	2,262,908	1.74
20001 to 30000	44	0.14	563,293	1,126,586	0.86
30001 to 40000	25	0.08	438,324	876,648	0.67
40001 to 50000	17	0.05	388,144	776,288	0.60
50001 to 100000	40	0.12	1,475,329	2,950,658	2.26
100001 & above	39	0.12	53,140,529	106,281,058	81.49
TOTAL	32,104	100.00	65,210,443	130,420,886	100.00

15. Shares under Lock-in

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

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

As on March 31, 2011 the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

17. Dematerialisation of Equity Shares

The Company's shares are traded in dematerialised form. To facilitate trading in dematerialised form there are two depositories, i.e., National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the depository participants registered with any of these depositories. As on March 31, 2011 about 99.95% comprising 6,51,77,793 Equity Shares were in the dematerialised form.

18. Financial Calendar (tentative and subject to change)

Particulars	Date
Annual General Meeting	September 22, 2011
Financial reporting for 1st quarter ending 30th June, 2011	July 15, 2011
Financial reporting for 2nd quarter ending 30th September, 2011	Last week of October, 2011
Financial reporting for 3rd quarter ending 31st December, 2011	Last week of January, 2011
Financial reporting for the year ended 31st March, 2012 (audited)	May, 2012
Annual General Meeting for year ended 31st March, 2012	September, 2012

19. Plant Locations

The details of regional offices of the Company are available inside back cover page of the Annual Report.

20. Investors' Correspondence

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

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

Mr. Srinivasa Shenoy
Chief Financial Officer,
Balaji Telefilms Limited
C-13, Balaji House, Dalia Industrial Estate,
Opp. Laxmi Industries, New Link Road,
Andheri (West), Mumbai – 400 053.
Tel: +91-22-40698000, Fax: +91-22-40698181/82
Email: srinivasa.shenoy@balajitelefilms.com

21. Insider Trading

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

22. Secretarial Audit

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

23. Non Mandatory Requirements**a) Chairman of the Board**

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

b) Remuneration Committee

The Company has appointed a Remuneration Committee since January 2003.

c) Shareholder Rights

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

GEO DECLARATION

We, Shobha Kapoor, Managing Director and Puneet Kinra, Group Chief Executive Officer of Balaji Telefilms Limited based on confirmation received from all the Directors and Senior Management of the Company, do hereby state that all Board Members and Senior Management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2011.

Shobha Kapoor
Managing Director

Puneet Kinra
Group Chief Executive Officer

May 23, 2011
Mumbai

GEO/CFO Certification

We, Shobha Kapoor, Managing Director, Puneet Kinra, Group Chief Executive Officer and Srinivasa Shenoy, Chief Financial Officer of Balaji Telefilms Limited, do hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shobha Kapoor
Managing Director

Puneet Kinra
Group Chief Executive Officer

Srinivasa Shenoy
Chief Financial Officer

May 23, 2011
Mumbai

CERTIFICATE

To the members of Balaji Telefilms Limited

We have examined the compliance of conditions of Corporate Governance by Balaji Telefilms Limited for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreements of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

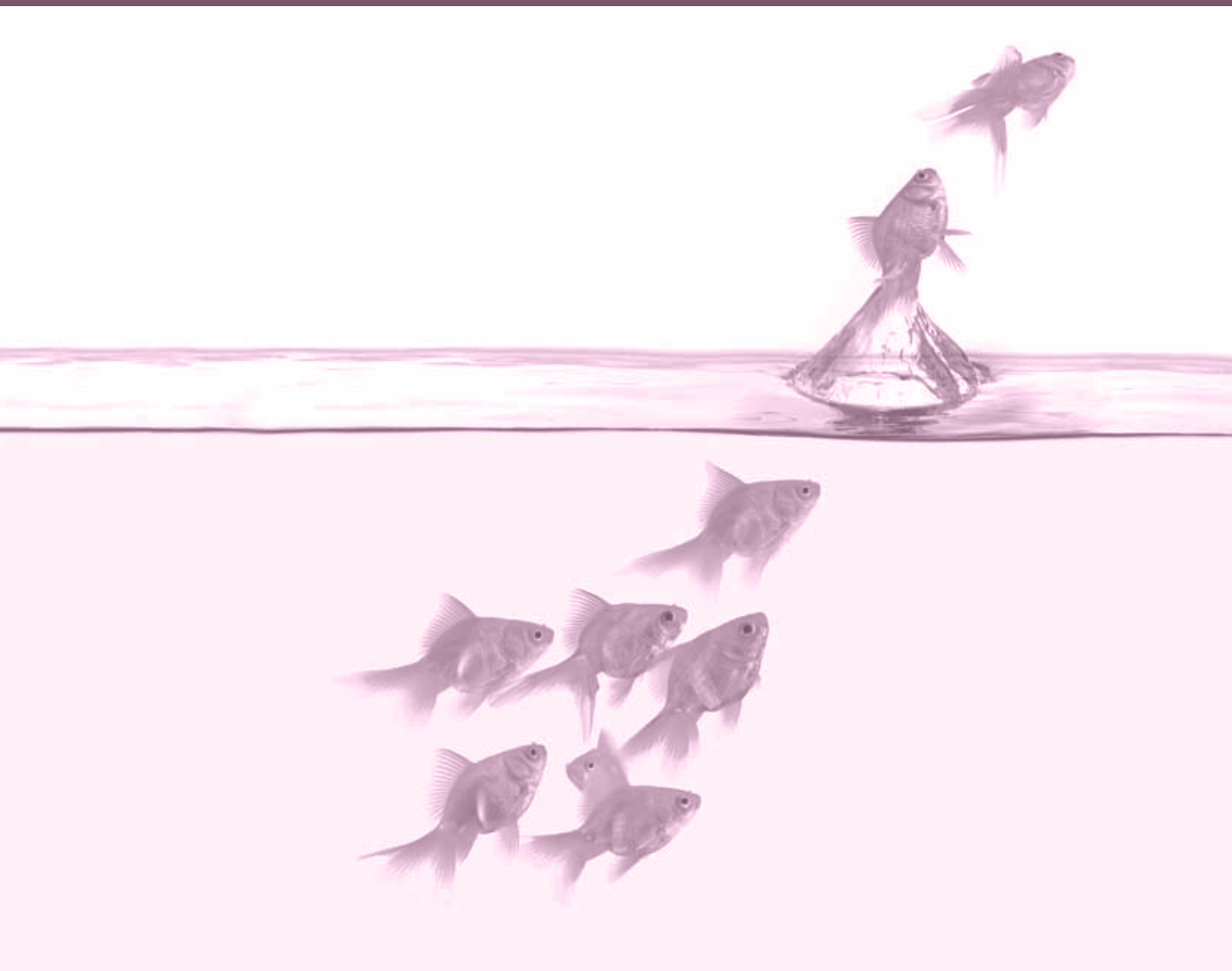
For Deloitte Haskins & Sells
Chartered Accountants
Reg. No 117366W

A.B. Jani
Partner
Membership Number: 46488
May 23, 2011
Mumbai

For Snehal & Associates
Chartered Accountants
Reg. No 110314W

Snehal Shah
Proprietor
Membership Number: 40016
May 23, 2011
Mumbai

Financials Statements



Auditors' Report

To the Members of Balaji Telefilms Limited.

1. We have audited the attached Balance Sheet of Balaji Telefilms Limited ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956; and
 - e) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors as on March 31, 2011 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956

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

A.B. Jani
Partner
Membership Number: 46488
Mumbai
May 23, 2011

For Snehal & Associates
Chartered Accountants
Reg. No 110314W

Snehal Shah
Proprietor
Membership Number: 40016
Mumbai
May 23, 2011

Annexure to the Auditors' Report

Re: Balaji Telefilms Limited

(Referred to in Paragraph 3 of our report of even date)

- i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
b) The fixed assets 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. The Company is in the process of reconciling the data of physically verified fixed assets with the books of accounts and records. Accordingly, we are unable to comment on material discrepancies if any, which could result on completion of the physical verification exercise.
c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii) a) The inventories (tapes) have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories (tapes) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company is maintaining proper records of inventories (tapes). The discrepancies noticed on verification between the physical stocks and book records were not material.
- iv) a) The Company has granted interest free unsecured loans aggregating ₹ 1,567.44 Lacs to its wholly owned subsidiary covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balances of such loans aggregated ₹ 2,531.36 Lacs and the maximum amount involved during the year was ₹ 4,149.47 Lacs.
b) In our opinion, the terms and conditions of the loan given are not, prima facie, prejudicial to the interests of the Company.
c) According to information and explanations given to us, since there are no repayment schedules with regard to the loans given, clause (iii) (c) to (d) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company
d) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause (iii) (e) to (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company
- v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
b) Where each of such transaction is in excess of ₹ 5 Lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- vii) The Company has not accepted any deposit from the public.
- viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- ix) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- x) According to the information and explanations given to us in respect of statutory dues:
a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- b) There were no undisputed amounts payable in respect of Income Tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 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, 2011 on account of disputes, except in case of service tax which is as detailed below:

Forum where dispute is pending	Nature of dues	Amount (₹ in Lacs)	Financial Year to which amount relates
Department of Sales Tax	VAT	22,363	1.4.1999 to 31.3.2005
Office of the Commissioner of Service Tax	Service Tax	9,245	1.4.2006 to 31.3.2010

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

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

A.B. Jani
Partner
Membership Number: 46488
Mumbai
May 23, 2011

For Snehal & Associates
Chartered Accountants
Reg. No 110314W

Snehal Shah
Proprietor
Membership Number: 40016
Mumbai
May 23, 2011

Balance Sheet

as at March 31, 2011

		(₹ in Lacs)			
		Schedule No.	As at March 31, 2011		As at March 31, 2010
I. SOURCES OF FUNDS					
1	Shareholders' funds				
	A. Share capital	1	1,304.21		1,304.21
	B. Reserves and surplus	2	38,381.45		38,873.91
			39,685.66		40,178.12
2	Deferred Tax Liability (net)			-	91.16
	TOTAL		39,685.66		40,269.28
II. APPLICATION OF FUNDS					
1	Fixed assets	3			
	Gross block		14,865.03		14,880.85
	Less : depreciation		6,297.50		6,749.74
	Net block		8,567.53		8,131.11
	Capital work-in-progress		9.51		289.93
			8,577.04		8,421.04
2	Investments	4		20,607.55	20,978.66
3	Deferred tax asset (net)			5.63	-
4	Current assets, loans and advances				
	A. Inventories	5	147.06		145.41
	B. Sundry debtors	6	5,204.28		5,604.14
	C. Cash and bank balances	7	474.47		287.33
	D. Loans and advances	8	7,328.13		7,489.01
			13,153.94		13,525.89
	Less : Current liabilities and provisions				
	A. Current liabilities	9	2,482.07		2,199.90
	B. Provisions	10	176.43		456.41
			2,658.50		2,656.31
	Net current assets			10,495.44	10,869.58
	TOTAL			39,685.66	40,269.28
	Significant Accounting Policies and Notes on Accounts	15			

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 23, 2011

For and on behalf of Balaji Telefilms Limited

Jeetendra Kapoor
(Chairman)

D.G.Rajan
(Director)

Alpa Khandor
(Company Secretary)

Place : Mumbai
Date : May 23, 2011

Shobha Kapoor
(Managing Director)

Puneet Kinra
(Group CEO)

Srinivasa Shenoy
(Chief Financial Officer)

Ekta Kapoor
(Joint Managing Director)

Profit and Loss Account

for the year ended March 31, 2011

		(₹ in Lacs)			
	Schedule No.	For the Year 2010-11		Previous Year 2009-10	
INCOME					
Turnover			15,194.14		15,282.41
Other income	11		1,654.62		3,317.16
TOTAL			16,848.76		18,599.57
EXPENDITURE					
Cost of production of television serials / content	12		10,987.26		10,606.67
Employees costs	13		1,947.82		1,637.90
Administrative and other expenses	14		3,227.85		3,096.30
Depreciation / Amortisation	3		1,117.82		1,033.43
TOTAL			17,280.75		16,374.30
(LOSS)/PROFIT BEFORE TAX					
Profit from continuing operations before tax		404.44	(431.99)	2,629.86	2,225.27
Provision for tax					
Current tax		-		(168.17)	
(Short) provision for tax in respect of earlier years		-		(13.09)	
Wealth tax		(5.20)		(4.31)	
Deferred tax		95.53		(520.52)	
Profit from continuing operations after tax			494.77		1,923.78
(Loss) from discontinuing operations before tax		(836.43)		(404.59)	
Provision for tax					
Current tax		-		-	
(Short) provision for tax in respect of earlier years		-		-	
Wealth tax		-		-	
Deferred tax		1.28		(0.11)	
(Loss) from discontinuing operations after tax			(835.15)		(404.70)
(LOSS) / PROFIT AFTER TAX					
Balance brought forward from previous year			(340.38)		1,519.09
			19,427.53		18,290.55
AMOUNT AVAILABLE FOR APPROPRIATION					
Appropriation			19,087.16		19,809.64
Transferred to general reserve			-		153.22
Proposed dividend			130.42		195.63
Corporate dividend tax			21.66		33.26
BALANCE CARRIED TO BALANCE SHEET					
Basic and diluted earnings per share			18,935.07		19,427.53
(Refer note B10 of Schedule 15)			(0.52)		2.33
Significant Accounting Policies and Notes on Accounts	15				

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Ekta Kapoor
(Joint Managing Director)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Snehal Shah
(Proprietor)

Alpa Khandor
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Place : Mumbai
Date : May 23, 2011

Cash Flow Statement

for the year ended March 31, 2011

		(₹ in Lacs)			
		For the Year 2010-2011		Previous Year 2009-2010	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	(Loss) / Profit before tax	(431.99)		2,225.27	
	Adjustments for:				
	Depreciation / amortisation	1,117.82		1,033.43	
	Bad debts written off	3.68		10.63	
	Provision for doubtful debts (net)	6.45		14.00	
	Loss on sale / discard of fixed assets(net)	5.41		72.73	
	Profit on sale of long term investments (non-trade) (net)	(1,341.19)		(1,258.24)	
	Provision for doubtful debts written back (net)	-		(1,119.40)	
	Excess provision of earlier years written -back (net)	(27.85)		(73.44)	
	Provision for diminution in long term investments (non-trade) written back	-		(440.00)	
	Advances written off	25.47		-	
	Interest income on Fixed Deposits	(25.74)		(51.62)	
	Dividend income	(179.17)		(251.18)	
	Operating (loss) / profit before working capital changes	(847.10)		162.18	
	Decrease in trade and other receivable	309.66		391.83	
	(Increase) in inventories	(1.66)		(55.13)	
	Increase / (Decrease) in trade payables	310.02		(1,189.73)	
			(229.07)		(690.85)
	Direct taxes paid (net)		(1,054.90)		(950.78)
	Net cash (used in) operating activities (a)		(1,283.97)		(1,641.63)
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of fixed assets	(1,284.57)		(390.78)	
	Sale of fixed assets	5.34		47.75	
	Purchase of investments	(38,249.34)		(16,882.32)	
	Sale of investments	39,961.62		22,169.21	
	Loans given to Trust	-		(1,000.00)	
	Loans / Advances given to subsidiary	(1,567.44)		(3,453.09)	
	Loans / Advances repaid by subsidiary	2,629.48		251.30	
	Interest income	25.74		64.88	
	Dividend income received	179.17		251.18	
	Net cash generated from investing activities(b)		1,700.00		1,058.12
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Dividend paid	(195.63)		(195.63)	
	Corporate dividend tax paid	(33.26)		(33.26)	
	Net cash (used in) financing activities (c)		(228.89)		(228.89)
	Net increase / (decrease) in cash and Cash equivalents (a+b+c)		187.14		(812.40)
	Cash and cash equivalent at the beginning of the year		287.33		1,099.73
	Cash and cash equivalents at the end of the year		474.47		287.33

Cash Flow Statement

for the year ended March 31, 2011

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
Notes:		
1. Components of Cash and Cash equivalent include cash and bank balances (refer Schedule 7)		
2. Reconciliation of Cash and Cash Equivalents:		
As per Balance Sheet - Schedule 7	474.47	287.33
Less: Interest accrued on bank deposits	-	-
As per Cash Flow Statement	474.47	287.33
3. Cash and cash equivalents includes Fixed Deposits of ₹35.10 Lacs (previous year ₹65.55 Lacs) on which the Bank has lien.		
4. Purchase of fixed assets (including movements in capital work in progress) is treated as a part of investing activities.		
5. Cash and cash equivalents include balances in unpaid dividend accounts aggregating to ₹11.13 Lacs (previous year ₹11.03 Lacs).		

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 23, 2011

For and on behalf of Balaji Telefilms Limited

Jeetendra Kapoor
(Chairman)

D.G.Rajan
(Director)

Alpa Khandor
(Company Secretary)

Place : Mumbai
Date : May 23, 2011

Shobha Kapoor
(Managing Director)

Puneet Kinra
(Group CEO)

Srinivasa Shenoy
(Chief Financial Officer)

Ekta Kapoor
(Joint Managing Director)

Schedules

forming part of Balance Sheet

	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 1		
Share Capital		
Authorised		
75,000,000 Equity Shares of ₹ 2/- each	1,500.00	1,500.00
Issued, Subscribed And Paid-Up :		
65,210,443 Equity Shares of ₹ 2/- each	1,304.21	1,304.21
Note:		
6,500,000 Equity Shares of the original value of ₹ 10/- each were allotted as fully paid up bonus shares by capitalisation of surplus in Profit and Loss account.		
TOTAL	1,304.21	1,304.21
SCHEDULE - 2		
Reserves And Surplus		
Securities premium account		
As per last Balance sheet	14,785.61	14,785.61
General reserve		
As per last Balance sheet	4,660.77	4,507.55
Add: Transferred from Profit and Loss account	-	153.22
	4,660.77	4,660.77
Surplus in Profit and Loss account	18,935.07	19,427.53
TOTAL	38,381.45	38,873.91

Schedules

forming part of Balance Sheet

SCHEDULE 3 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at April 01, 2010	Additions	Deductions	As at March 31, 2011	Upto March 31, 2010	For the Year	On Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	4,795.30	81.80	-	4,877.10	-	-	-	-	4,877.10	4,795.30
Buildings	469.36	-	-	469.36	42.49	7.65	-	50.14	419.22	426.87
Plant and machinery - Computers	604.44	-	-	604.44	265.02	97.98	-	363.00	241.44	339.42
Plant and machinery - Others	1,977.90	243.78	-	2,221.68	912.11	149.33	-	1,061.44	1,160.24	1,065.79
Computers	376.14	84.41	-	460.55	271.94	70.82	-	342.76	117.79	104.20
Studios and sets	5,202.78	742.53	1,560.57	4,384.74	4,755.22	590.92	1,560.57	3,785.57	599.16	447.56
Vehicles	664.91	111.53	20.24	756.20	237.02	66.51	9.49	294.04	462.16	427.89
Furniture and fixtures	273.55	29.19	-	302.74	100.25	18.41	-	118.66	184.08	173.30
Office equipments	276.52	52.55	-	329.07	56.11	15.21	-	71.32	257.75	220.41
Electrical fittings	51.52	21.53	-	73.05	12.10	3.35	-	15.45	57.60	39.42
Lease Hold Improvements	188.43	197.67	-	386.10	97.48	97.64	-	195.12	190.98	90.95
TOTAL	14,880.85	1,564.99	1,580.81	14,865.03	6,749.74	1,117.82	1,570.06	6,297.50	8,567.53	8,131.11
Previous year	9,813.60	5,239.84	172.59	14,880.85	5,768.44	1,033.43	52.13	6,749.74	9.51	289.93
Capital work in progress								TOTAL	8,577.04	8,421.04

Notes:

- Building includes ₹220.86 Lacs (previous year ₹220.86 Lacs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹0.01 Lac received under Bye-law of the society.
- The Company, in the previous year, had invested amounts aggregating to ₹ 4,795.30 Lacs in three adjacent plots of land approximately admeasuring 38,870 sq. mtrs. in aggregate, situated within the limits of Mira Bhayander Municipal Corporation. In the previous year, the Company was made a party in the dispute with respect to the above plots of land between the original owner of the said plots of land and another party, who claimed to have purchased the aforesaid plots of land at an earlier date. The Company is pursuing all legal remedies available in both the aforesaid matters.
- Capital work-in-progress includes ₹ NIL (previous year ₹271 Lacs) paid to a party for purchase of premises in Santacruz Electronic Export Processing Zone. The Company during the year has recovered ₹245.53 Lacs and written off the balance amount.

Schedules

forming part of Balance Sheet

	Face Value (in ₹)	(₹ in Lacs)			
		Numbers		Value	
		As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 4					
Investments					
Long Term Investments (Non Trade)					
Unquoted					
Equity Shares Of Subsidiary Company (Fully Paid Up)					
Balaji Motion Pictures Limited	10.00	3,00,00,000	3,00,00,000	3,000.00	3,000.00
In Units Of Mutual Funds					
Birla Sun Life Fixed Term Plan Series BK	10.00	-	50,00,000	-	500.00
Birla Sun Life Floating Rate Fund Long Term - Institutional - Weekly Dividend Reinvestment	10.00	-	33,53,392	-	336.64
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	10.00	-	18,25,505	-	204.44
Birla Sunlife Medium Term Plan - Institutional Growth	10.00	1,38,67,757	-	1,500.66	-
Canara Robeco Fixed Maturity Plan - Series 4 (19 Months Plan)	10.00	-	20,00,000	-	200.00
DSP Blackrock FMP13M Series 2 Growth	10.00	50,00,000	50,00,000	500.00	500.00
DSP Blackrock FMP 3M Series 28 - Growth	10.00	50,00,000	-	500.00	-
DSP BlackRock FMP - 3 Months - Series 32 - Growth	10.00	50,00,000	-	500.00	-
DWS Fixed Term Fund - Series 62 - Institutional Growth	10.00	-	1,00,00,000	-	1,000.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	10.00	-	16,54,422	-	167.79
Fortis FTP - Series 14 Plan C Institutional Growth	10.00	-	50,00,000	-	500.00
Fortis Money Plus - Institutional Growth	10.00	-	37,76,150	-	500.00
HDFC FMP 13M March 2010 Growth - Series XII	10.00	50,00,000	50,00,000	500.00	500.00
HDFC FMP 13M October 2009 - Growth - Series XI	10.00	-	50,00,000	-	500.00
HDFC FMP 20M August 2008 (IX) - Wholesale Plan Growth	10.00	-	20,00,000	-	200.00
HDFC FMP 20M Sep 2009 - Growth - Series XI	10.00	51,03,428	51,03,428	510.34	510.34
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	-	39,16,459	-	415.34
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	-	39,18,985	-	414.10
HDFC Liquid Fund Premium Plan - Growth	10.00	6,90,596	-	135.05	-
ICICI Long Term Floating Rate Plan C - Growth	10.00	1,48,90,850	-	1,500.00	-
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	10.00	-	97,110	-	102.39
ICICI Prudential Flexible Income Plan - Weekly Dividend	100.00	-	2,40,361	-	253.42
ICICI Prudential FMP Series 49 - 1 year Plan B Institutional Growth	10.00	-	40,02,921	-	400.29
ICICI Prudential Interval Fund - Half Yearly Interval Plan I - Institutional Growth	10.00	99,93,205	-	1,000.00	-
ICICI Prudential Interval Fund -Quarterly Interval Plan - II - Institutional Growth	10.00	43,78,374	-	502.05	-
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Institutional Growth	10.00	1,93,11,621	-	2,004.85	-
ICICI Prudential Interval Fund III Quarterly Interval Plan Retail Growth	10.00	40,48,714	-	502.36	-
IDFC FMP - 100 Days - Series 3 - Growth	10.00	1,00,00,000	-	1,000.00	-
IDFC FMP - Thirteen Months Series 1 - Plan B - Growth	10.00	-	50,00,000	-	500.00
JM Arbitrage Advantage Fund - Growth Plan	10.00	-	20,00,000	-	200.00

Schedules

forming part of Balance Sheet

	Face Value	(₹ in Lacs)			
		Numbers		Value	
		As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4 (Continued)					
Kotak Floater Long Term - Growth	10.00	-	4,11,056	-	57.49
Kotak Floater Long Term - Weekly Dividend	10.00	-	1,16,47,770	-	1,174.41
Kotak FMP 13M Series 6 - Growth	10.00	30,81,120	30,81,120	308.11	308.11
Kotak FMP 19M Series 1 - Institutional - Growth	10.00	-	20,00,000	-	200.00
L&T Fixed Maturity Plan Series 12 Plan 15M March 10 I Growth	10.00	50,00,000	50,00,000	500.00	500.00
Reliance Fixed Horizon Fund IX - Series 6 - Institutional Growth Plan	10.00	-	20,00,000	-	200.00
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional Growth Plan	10.00	-	1,00,00,000	-	1,000.00
Reliance Fixed Horizon Fund - XVIII - Series 3-Growth Plan	10.00	1,50,00,000	-	1,500.00	-
Reliance Fixed Horizon Fund XVIII - Series 7 - Growth	10.00	1,00,00,000	-	1,000.00	-
Reliance Monthly Interval Fund Series II Retail Dividend Plan	10.00	-	19,99,280	-	200.00
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10.00	18,76,204	41,48,379	238.85	500.00
Reliance Short Term Fund - Retail Plan - Dividend Plan	10.00	-	38,64,912	-	413.99
Religare Fixed Maturity Plan Series II Plan A (13months)	10.00	50,00,000	50,00,000	500.00	500.00
Religare Fixed Maturity Plan Series II Plan B (15months)	10.00	50,00,000	50,00,000	500.00	500.00
Religare FMP - Series I - Plan A (375 Days) - Institutional Growth	10.00	-	50,00,000	-	500.00
Sundaram BNP Paribas Fixed Term 367 Days Series 8 Super Institutional Growth	10.00	-	1,00,00,000	-	1,000.00
Sundaram BNP Paribas Fixed Term Plan L Institutional Growth	10.00	-	20,00,000	-	200.00
Sundaram BNP Paribas FTP 367 Days Series P - Growth	10.00	-	40,00,000	-	400.00
Tata Fixed Maturity Plan Series 25 Scheme B	10.00	40,52,755	40,52,755	405.28	405.28
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	1,000.00	-	62,114	-	714.63
UTI Dynamic Bond Fund - Growth Plan	10.00	1,44,25,712	-	1,500.00	-
UTI Fixed Income Interval Fund Annual Interval Plan Series III - Institutional Growth Plan	10.00	-	20,00,000	-	200.00
UTI Fixed Income Interval Fund- Series II - Quarterly Interval Plan 4 - Institutional - Growth	10.00	48,24,392	-	500.00	-
UTI Fixed Maturity Plan Yearly Series YFMP/0309 - Institutional Growth	10.00	-	50,00,000	-	500.00
UTI Fixed Maturity Plan Yearly Series YFMP09/09 - Institutional Growth	10.00	-	50,00,000	-	500.00
UTI Fixed Term Income Fund Series V - III (24 Months) - Institutional Growth	10.00	-	10,00,000	-	100.00
TOTAL				20,607.55	20,978.66

Schedules

forming part of Balance Sheet

Note :

1. Details of Investments purchased and sold during the year

Particulars	₹ in Lacs	
	Numbers	Cost
Birla Sun Life Cash Plus - Institutional Premium - Growth	96,71,616	1,500.00
Birla Sun Life Floating Rate Fund Long Term - Institutional - Weekly Dividend Reinvestment	65,749	6.58
Birla Sun Life Savings Fund - Institutional - Growth	42,65,808	772.20
Birla Sunlife Dynamic Bond Fund - Retail	83,49,425	1,327.73
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	1,17,95,222	1,315.29
Birla Sunlife Interval Income Fund - Retail Quarterly Series 1 - Growth	40,78,303	500.00
Birla Sunlife Medium Term Plan - Institutional - Growth	72,66,570	759.80
Birla Sunlife Ultra Short Term Fund - Institutional Growth	18,46,227	206.06
Birla Sunlife Ultra Short Term Fund - Institutional Monthly Dividend	74,62,627	761.05
DSP Blackrock 3M FMP- Series 23	50,00,000	500.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	1,894	0.19
Fidelity FMP - Series 3 - Plan C - Growth	1,20,00,000	1,200.00
Fidelity FMP - Series 4 - Plan A - Growth	50,00,000	500.00
Fidelity FMP - Series 4 - Plan C - Growth	1,22,21,233	1,222.12
Fortis Fixed Term Fund Ser 18C Growth	50,00,000	500.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	1,15,35,892	2,410.18
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvest	1,54,93,416	1,553.55
HDFC FMP 35D November 2010 (1) - Growth Series XVII	1,40,23,228	1,402.32
HDFC High Interest Fund - Short Term Plan - Dividend Option : Reinvest	68,32,287	725.44
HDFC Liquid Fund - Growth	74,52,366	1,412.81
HDFC Liquid Fund Premium Plan - Growth	3,52,59,024	6,839.95
HDFC Short Term Plan - Dividend Option : Reinvest	98,06,525	1,016.11
HDFC Short Term Plan - Growth	46,77,002	850.00
ICICI Prudential Flexible Income Plan - Premium - Growth	15,31,455	2,704.06
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	1,89,998	200.33
ICICI Prudential Flexible Income Plan - Weekly Dividend	11,43,882	1,206.48
ICICI Prudential Interval Fund II Quarterly Interval Plan - B Institutional Cumulative	49,20,049	500.00
ICICI Prudential Interval Fund V Monthly Interval Plan A Retail Growth	35,95,873	401.93
ICICI Prudential Liquid Super Institutional Plan - Growth	10,62,178	1,509.71
IDFC Fixed Maturity Quarterly Series 59 - Growth	50,00,000	500.00
Kotak Floater Long Term - Weekly Dividend	90,36,031	910.60
Reliance Fixed Horizon Fund XV Series 2 - Growth Plan	1,50,59,482	1,505.95
Reliance Fixed Horizon Fund XV Series 3 - Dividend Plan	53,78,457	537.85
Reliance Interval Fund Quarterly Plan - Series I - Institutional Growth Plan	19,96,093	202.35
Reliance Liquid Fund - Cash Plan- Growth Plan	99,25,735	1,558.37
Reliance Money Manager Fund - Institutional Plan Weekly Dividend Plan	1,27,712	1,279.83
Reliance Money Manager Fund-Institutional Option - Growth Plan	15,943	205.57
Reliance Monthly Interval Fund Series I Institutional Growth Plan	16,04,731	207.14
Reliance Monthly Interval Fund Series II Retail Dividend Plan	8,442	0.84
Reliance Short Term Fund - Retail Plan - Dividend Plan	1,03,44,023	1,103.02
SBI Debt Fund Series - 180 Days 10 - Growth	50,00,000	500.00
Tata Floater Fund - Weekly Dividend	59,56,396	600.45
Templeton India Short Term Income Plan Institutional	81,534	1,243.53
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	45,079	519.74
UTI Dynamic Bond Fund - Growth Plan	49,61,859	500.30
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Growth Plan	59,02,732	600.11
UTI Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Growth Plan	1,25,47,653	1,572.91
UTI Liquid Cash Plan Institutional - Growth Option	1,54,406	2,410.00
UTI Short Term Income Fund Institutional - Growth Option	51,14,440	555.95
UTI Short Term Income Fund Institutional - Income Option - Re-investment	1,53,92,245	1,563.92
UTI Treasury Advantage Fund - Institutional Plan Growth Option	20,469	260.24

	₹ in Lacs	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 5		
Inventories		
Television serials	97.33	83.20
Tapes	7.44	8.53
Content	42.29	53.68
TOTAL	147.06	145.41

Schedules

forming part of Balance Sheet

	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 6		
Sundry Debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months	146.20	1,399.99
Other debts	5,078.53	4,218.15
	5,224.73	5,618.14
Less: Provision	20.45	14.00
TOTAL	5,204.28	5,604.14
Notes:		
Considered Good	5,204.28	5,604.14
Considered Doubtful	20.45	14.00
	5,224.73	5,618.14
SCHEDULE - 7		
Cash And Bank Balances		
Cash on hand	29.01	28.39
Balances with scheduled banks		
In Current accounts	292.45	31.06
(Includes fixed deposit aggregating to ₹679.57 Lacs (previous year NIL) having a sweep-in facility with the current account.)		
In Fixed deposits accounts	153.01	227.88
(banks have a lien on Fixed Deposit receipts of ₹35.10 Lacs (previous year ₹65.55 Lacs))		
TOTAL	474.47	287.33
SCHEDULE - 8		
Loans And Advances		
(Unsecured, considered good)		
Loans /Advances to Subsidiary Companies	2,531.36	3,593.40
Loan to Balaji Employees Foundation	1,000.00	1,000.00
Advances recoverable in cash or in kind or for value to be received	440.55	378.74
Advance tax (net)	2,343.88	1,497.35
Fringe benefits tax (net)	5.57	5.57
Deposits *	1,006.77	1,013.95
TOTAL	7,328.13	7,489.01
NOTES:		
1. * : Includes deposits given to directors / relative of directors for property taken on lease from them.	846.60	846.60
2. Maximum amount outstanding at any time during the year for above deposits	846.60	846.60
3. Loan / Advances to subsidiary (Interest free loans with no repayment schedule)		
- Balaji Motion Pictures Limited	2,531.36	3,593.40
Maximum balance outstanding at any time during the year	4,149.47	3,699.40
SCHEDULE - 9		
Current Liabilities		
Sundry creditors (Refer note B16 of Schedule 15)		
(i) Total outstanding dues to micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises		
(Includes temporary overdrawn book balances ₹ 0.61 Lacs previous year ₹ 50.44 Lacs)	1,753.35	1,496.28
	1,753.35	1,496.28
Unclaimed Dividend*	11.13	11.03
Other liabilities	649.89	681.46
Advances received from customers	67.70	11.13
TOTAL	2,482.07	2,199.90
* - Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due.		
SCHEDULE - 10		
Provisions		
For Taxation (net)	24.35	227.52
For Proposed dividend	130.42	195.63
For Corporate dividend tax	21.66	33.26
TOTAL	176.43	456.41

Schedules

forming part of Balance Sheet

	For the year		Previous Year	
	2010-2011		2009-2010	
				(₹ in Lacs)
SCHEDULE - 11				
Other Income				
Interest on:				
Fixed deposits with banks (Gross)	25.74		51.62	
(Tax deducted at source ₹ 2.59 Lacs (previous year ₹ 5.31 Lacs))				
Staff loan / Other Loans	0.66		4.19	
		26.40		55.81
Insurance Claim Received		0.41		68.07
Dividend on long term investments (non-trade)		179.17		251.18
Excess provision of doubtful debts written back (net off ₹NIL (previous year ₹808.36 Lacs) of bad debts written off and service tax liability on the same aggregating to ₹NIL (previous year ₹88.92 Lacs)written back)		-		1,119.40
Profit on sale of long term investments (non-trade) (net)		1,341.19		1,258.24
Provision for diminution in the value of long term investments written back		-		440.00
Excess provision for earlier years written back(net)		27.85		73.44
Miscellaneous income		79.60		51.02
TOTAL		1,654.62		3,317.16

SCHEDULE - 12				
Cost of Production of Television Serials				
Opening stock of television serials / tapes / Content		145.41		90.28
Add: Cost of production				
Purchase of costumes and dresses	124.06		107.67	
Purchase of tapes	127.24		166.10	
Artists, junior artists, dubbing artists fees	2,424.99		2,125.79	
Directors, technicians and other fees	3,495.12		3,278.77	
Shooting and location expenses	2,048.20		2,212.01	
Telecasting fees	953.73		1,135.46	
Uplinking charges / Special dispatch charges	22.53		180.37	
Food and refreshments	250.67		221.92	
Set properties and equipment hire charges	715.99		697.78	
Other production expenses	826.38		535.93	
		10,988.92		10,661.80
		11,134.33		10,752.08
Less: Closing stock of television serials / tapes / Content		147.06		145.41
TOTAL		10,987.26		10,606.67

Schedules

forming part of Profit and Loss Account

	(₹ in Lacs)	
	For the Year 2010 - 2011	Previous Year 2009 - 2010
SCHEDULE - 13		
Employee Costs		
Salaries, wages and bonus	1,716.09	1,477.80
Contribution to Provident and Other funds	174.91	104.32
Staff welfare expenses	56.82	55.78
TOTAL	1,947.82	1,637.90

SCHEDULE - 14		
Administrative And Other Expenses		
Electricity and water charges	282.94	333.94
Lease rent	807.58	877.48
Rates and taxes	100.53	41.41
Insurance	119.62	99.05
Repairs and maintenance		
- Plant and machinery	37.49	53.36
- Others	99.54	138.46
Travelling and conveyance expenses	213.23	158.00
Legal and professional charges	723.18	587.78
Communication charges	91.41	78.46
Loss on sale / discard of fixed assets (net)	5.41	72.73
Software expenses	47.16	31.76
Advances written off	25.47	-
Foreign exchange loss (net)	1.30	1.21
Donations	32.11	35.06
Bad debts written off	3.68	10.63
Provision for doubtful debts (net)	6.45	14.00
Directors' sitting fees	4.05	2.40
Advertisement and sales promotion expenses	186.28	142.96
Miscellaneous expenses *	440.40	417.59
TOTAL	3,227.85	3,096.30

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

Schedules

forming part of the accounts

SCHEDULE 15

Significant accounting policies and notes on accounts

A. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India, the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006 and relevant provisions of the Companies Act, 1956.

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

Depreciation on fixed assets is provided on straight line basis in accordance with provisions of the Companies Act, 1956 at the rates and in the manner specified in schedule XIV of this Act except for the following fixed assets which are depreciated as per management estimates of their useful life which are as under:

Studios and sets @ 33.33%

Leasehold improvements are amortised over the period of lease

Impairment loss

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

Investments

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

Inventories

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

Tapes : First In First Out

Television serials : Average cost

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

Revenue recognition

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

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

Schedules

forming part of the accounts

Employee benefits

a) Post employment benefits and other long term benefits

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

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

b) Short Term Employee Benefits:

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

Foreign currency transactions

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

Borrowing costs

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

Operating leases

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

Taxes on income

Tax expense comprises of current tax 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 recognised 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 recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. (Refer note 11 below).

Provisions and Contingencies

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

Schedules

forming part of the accounts

B. Notes on Accounts

	(₹ in Lacs)	
	As at March 31,2011	As at March 31,2010
1. Estimated amount of contracts remaining to be executed on capital account and not provided for :	-	50.00
2. The Company has applied to the Office of the Commissioner of Sales Tax, Mumbai, to ascertain whether the Company's sales are liable to tax under the Sales Tax laws. The matter is still pending before the Sales Tax authority. Subsequent to the year end the Company has received a letter from the office of Deputy Commissioner of Sales Tax inquiring about the Company's intentions on pursuing the Determination of Disputed Question (DDQ), to which the Company has responded positively, in favor of getting a clarification in the matter. (Also refer note 3(b) below)		
3. Contingent liabilities in respect of	495.00	495.00
a) Claim against the Company not acknowledged as debts. This represents demand raised by a Prasar Bharti Broadcasting Corporation of India. The Company is of the view that the claim is not valid. Legal proceedings have been initiated for quashing the said demand. The amount disclosed is the minimum liability on this count excluding interest thereon which is presently not quantifiable.		
b) The Company has received notices of demand from the Department of Sales Tax, Government of Maharashtra pertaining to the years 2000 to 2005. The department has sought to tax the sales revenue of the company under the 'Commissioned Programs' category to Sales Tax under the Bombay Sales Tax Act, 1959. The Company has appealed against the said order of the Sales Tax Officer to the Deputy Commissioner (appeals) and the same is pending adjudication.	22,363.00	-
c) During the current and previous financial years, the Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Company. On appeal, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Company. The Commissioner has further filed an appeal against the adjudication with the Customs, Excise & Service Tax Appellate Tribunal. The matter is pending hearing.	9,245.00	-
d) The Company has received an order of compensatory loss from the City Civil & Sessions Court, Greater Mumbai, stating that the Company has unauthorised possession of the administrative place situated at Aarey Milk Colony. The Company has paid 50% of the amount aggregating to ₹18.51 Lacs under protest	18.51	-
		(₹ in Lacs)
	For the Year 2010-2011	Previous Year 2009-2010
4. Managerial remuneration under section 198 of the Companies Act, 1956 to Directors (including to the Managing Director) (included under the head "Employee Costs" refer Schedule 13)	-	-
Salary	121.50	121.50
Perquisites	106.35	106.35
Commission	-	-
Contribution to Provident Fund	14.58	14.58
Total	242.43	242.43

Notes:

- The above remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.
- In view of losses incurred during the year, managerial remuneration is subject to the limits specified in Schedule XIII of the Companies Act, 1956. Accordingly, the remuneration paid to the Director (and charged to the Profit and Loss Account) has been restricted to the limit specified in Schedule XIII.

Schedules

forming part of the accounts

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

	(₹ in Lacs)			
	For the Year 2010-2011		Previous Year 2009-2010	
(Loss) / Profit before tax		(431.99)		2,225.27
Add:				
Managerial remuneration	242.43		242.43	
Provision for Doubtful Debts (net)	6.45		14.00	
Directors sitting fees	4.05	252.93	2.40	258.83
		(179.06)		2,484.10
Less: Profit on sale of long term investments (non-trade) (net)	1,341.19		1,258.24	
Provision for diminution in value of long term investments (Written Back)	-		440.00	
Provision for Bad and doubtful debts (Written Back)	-		1,119.40	
		1,341.19		2,817.64
Net (Loss) / Profit for the year		(1,520.25)		(333.54)
Commission @ 2.50% each to the Executive Directors		-		-
Commission @ 0.80% to the Chairman		-		-
Commission @ 0.20% to other Non-Executive Directors, restricted to ₹3 Lacs each		-		-

Note:

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

6. Payment to auditors

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
a) as auditors	15.00	15.00
b) as advisor, or in any other capacity, in respect of		
- taxation matters	-	-
c) in any other manner (certification work, etc)	5.03	6.30
d) as expenses	0.38	0.58
TOTAL	20.41	21.88

7. The Company has investments in 30,000,000 equity shares of its 100% subsidiary Balaji Motion Pictures Limited (BMPL) at cost of ₹3,000 Lacs. As per the latest audited balance sheet of BMPL for the year ended March 31, 2011, the accumulated losses have partly eroded its net worth. However, no provision for diminution in the value of the investment is necessary in view of the investment being long term and of strategic importance and the diminution in the value being on account of temporary factors.

8. Related Party Disclosures

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Ms. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Relative of Key management person (upto August 26, 2010)
	Key management person (w.e.f. August 27, 2010)
Mr. Ramesh Sippy	Relative of Key management person
Balaji Motion Pictures Limited	Subsidiary Company (control exist)

Schedules

forming part of the accounts

b) Details of Transactions with related parties during the year

Nature of Transactions	(₹ in Lacs)							
	Column number (refer note II below)						Total	
	1		2		3		Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous year	Current Year	Previous Year
Advances given								
Balaji Motion Pictures Limited	1,567.44	3,453.09	-	-	-	-	1,567.44	3,453.09
Directors sitting fees								
Mr. Jeetendra Kapoor	-	-	0.90	0.75	-	-	0.90	0.75
Mr. Tusshar Kapoor	-	-	0.45	-	-	-	0.45	-
Rent								
Mr. Jeetendra Kapoor	-	-	24.78	23.38	-	-	24.78	23.38
Ms. Shobha Kapoor	-	-	502.63	494.39	-	-	502.63	494.39
Mr. Tusshar Kapoor	-	-	5.72	-	-	5.39	5.72	5.39
Ms. Ekta Kapoor	-	-	5.09	4.80	-	-	5.09	4.80
Rent Received								
Balaji Motion Pictures Limited	1.20	1.20	-	-	-	-	1.20	1.20
Advances Recovered/ Adjusted								
Balaji Motion Pictures Limited	2,629.48	251.30	-	-	-	-	2,629.48	251.30
Remuneration								
Ms. Shobha Kapoor	-	-	110.12	110.12	-	-	110.12	110.12
Ms. Ekta Kapoor	-	-	132.31	132.31	-	-	132.31	132.31
Dividend paid								
Ms. Shobha Kapoor	-	-	30.11	30.08	-	-	30.11	30.08
Ms. Ekta Kapoor	-	-	29.33	29.18	-	-	29.33	29.18
Mr. Jeetendra Kapoor	-	-	13.18	13.18	-	-	13.18	13.18
Mr. Tusshar Kapoor	-	-	6.09	-	-	6.09	6.09	6.09
Deposits given								
Ekta Kapoor	-	-	-	100.00	-	-	-	100.00
Amount payable as at March 31, 2011								
Ms. Ekta Kapoor	-	-	0.29	-	-	-	0.29	-
Mr. Jeetendra Kapoor	-	-	0.62	0.51	-	-	0.62	0.51
Mr. Tusshar Kapoor	-	-	0.02	-	-	0.19	0.02	0.19
Amount receivable as at March 31, 2011								
Ms. Shobha Kapoor *	-	-	340.00	340.00	-	-	340.00	340.00
Mr. Jeetendra Kapoor *	-	-	306.60	306.60	-	-	306.60	306.60
Mr. Tusshar Kapoor *	-	-	100.00	-	-	100.00	100.00	100.00
Ms. Ekta Kapoor*	-	-	100.00	100.00	-	-	100.00	100.00
Balaji Motion Pictures Limited	2,531.36	3,593.40	-	-	-	-	2,531.36	3,593.40

* Deposits for lease property

Schedules

forming part of the accounts

Notes:

- I. There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
 - II. Column number represents,
 1. Subsidiary companies
 2. Key management personnel
 3. Relative of key management personnel
9. Segment Information
- (A) Information about primary segments
- The Company has considered business segment as the primary segment for disclosure. The reportable business segments are as under:
- (a) Commissioned Programmes : Income from sale of television serials to channels
 - (b) Sponsored Programmes : Income from telecasting of television serials on channels

	(₹ in Lacs)					
	Commissioned Programmes		Sponsored Programmes		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
From External Customers	12,913.80	12,838.16	2,280.34	2,444.25	15,194.14	15,282.41
Add: Inter Segment sale	-	-	-	-	-	-
Total Revenue	12,913.80	12,838.16	2,280.34	2,444.25	15,194.14	15,282.41
RESULTS						
Segment result	2,980.52	4,676.94	611.10	458.44	3,591.62	5,135.38
Unallocable Corporate (expenses)/ income (net)	-	-	-	-	(5,570.36)	(4,475.32)
Operating (Loss)	-	-	-	-	(1,978.74)	(2,404.31)
Interest income/Dividend on Long Term Investments	-	-	-	-	205.57	306.98
Profit on sale of Long Term Investments (non trade)	-	-	-	-	1,341.19	1,258.24
Provision for tax	-	-	-	-	91.60	(706.19)
(Loss) / Profit after tax	-	-	-	-	(340.38)	1,519.09
OTHER INFORMATION:						
Segment assets	7,862.85	12,273.02	970.54	844.00	8,833.39	13,117.02
Unallocated Corporate assets	-	-	-	-	33,510.77	29,808.57
Total assets					42,344.16	42,925.59
Segment liabilities	1,688.19	1,152.37	181.25	100.50	1,869.44	1,252.87
Unallocated Corporate liabilities	-	-	-	-	789.06	1,403.44
Total Liabilities					2,658.50	2,656.31
Capital expenditure	986.31	232.32	-	1.13	986.31	233.45
Depreciation / Amortisation	838.23	727.81	3.46	3.45	841.69	731.25
Significant Non cash expenses other than depreciation / amortisation						
Loss on sale / discard of fixed assets (net)	-	10.30	-	-	-	10.30
Provision for doubtful debts	8.22	-	(6.68)	14.00	1.54	14.00
Bad debts written off	-	808.36	3.68	-	3.68	808.36

- (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

	(₹ in Lacs)					
	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	-	3,663.72	15,194.14	11,618.69	15,194.14	15,282.41
B) Carrying amount of assets	-	466.46	21,730.98	21,480.46	21,730.98	21,946.92
C) Addition to fixed assets	-	-	1,284.57	390.78	1,284.57	390.78

Schedules

forming part of the accounts

10. Earnings per share

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

	For the Year 2010-2011	Previous Year 2009-2010
(a) (Loss) / Profit for the year attributable to equity share holders-(₹ in Lacs)	(340.38)	1,519.09
(b) Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(c) Earnings per share - Basic and diluted (₹)	(0.52)	2.33
(d) Nominal value of shares (₹)	2	2

11. Components of deferred tax Assets / (Liabilities)

	As at March 31,2011	As at March 31,2010
Difference between the books and tax written down values of fixed assets	(4.45)	(95.92)
Provision for doubtful debts	6.80	4.76
Disallowance under the Income Tax Act, 1961	3.28	-
Deferred tax asset/ (liability)-net Total	5.63	(91.16)

12. Lease Transactions

- a) The Company has taken certain premises on non-cancellable operating lease basis. Future lease rentals in respect of fixed assets taken on non-cancellable operating lease basis are as follows:

	As at March 31,2011	As at March 31,2010
1) Amount due within 1 year	573.79	495.89
2) Amount due later than 1 year and not later than 5 years	1,493.72	222.39
3) Amount due later than 5 years	1,441.65	-
TOTAL	3,909.16	718.28

- b) The Company has also taken certain premises on cancellable operating lease basis.
c) Amount of lease rentals charged to the Profit and Loss Account in respect of operating leases is ₹ 807.58 Lacs (previous year ₹ 875.18 Lacs).

13. Employee Benefits

- a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognised as expense amounts to ₹ 88.94 Lacs (previous year ₹ 75.48 Lacs)

- b) Defined Benefit Plans

- I Reconciliation of asset / (liability) recognised in the Balance Sheet (under advances recoverable in cash or kind, refer schedule 8)

	For the Year 2010-11	For the Year 2009-10
Fair Value of plan assets as at the end of the year	48.86	24.89
Present Value of obligation as at the end of the year	(30.53)	(16.31)
Net assets / (liability) in the Balance Sheet	18.33	8.59

- II Movement in net liability recognised in the Balance Sheet

	For the Year 2010-11	For the Year 2009-10
Net (assets) as at the beginning of the year	(8.59)	(4.24)
Net expense recognised in the Profit and Loss account	11.92	15.90
Contribution during the year	(21.66)	(20.25)
Net (assets) as at the end of the year	(8.33)	(8.59)

Schedules

forming part of the accounts

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

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Current service cost	10.81	9.38
Interest cost	1.35	1.23
Expected return on plan assets	(1.99)	(2.47)
Actuarial (gains)/losses	1.75	7.76
Expense charged to Profit and Loss Account	11.92	15.90

IV Return on plan assets

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Expected return on plan assets	1.99	2.47
Actuarial (gains) / losses	0.32	(1.59)
Actual return on plan assets	2.31	0.88

V Reconciliation of defined benefits commitments

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Commitments at beginning of the year	16.30	13.33
Current service cost	10.81	9.39
Interest cost	1.35	1.23
Actuarial (gains)/losses	2.07	6.17
Benefits paid	-	(13.82)
Settlement cost	-	-
Commitments at year end	30.53	16.31

VI Reconciliation of plan assets

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Fair value of plan assets at beginning of the year	24.89	17.57
Expected return on plan assets	1.99	2.47
Actuarial gains/(losses)	0.32	(1.59)
Employer contribution	21.66	20.25
Benefits paid	-	(13.82)
Fair value of plan assets at year end	48.86	24.89

VII Experience adjustment

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
On plan liability (gains) / losses	2.07	6.45
On plan assets gains / (losses)	0.32	(1.59)

Schedules

forming part of the accounts

VIII Actuarial assumptions

	For the Year 2010-11	For the Year 2009-10
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.25%	8.25%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%

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

	For the Year 2010-11
Insurer managed funds	100%

Composition of fund balance with LIC as at March 31, 2010 is not available with the Company. Major category of plan assets as percentage of total plan assets.

14. Discontinued Operations

The Company has obtained shareholders approval via resolution passed through postal ballot on February 18, 2011 to sell and transfer as a going concern, on slump sale basis on such terms and conditions as are negotiated by the Board and/or the Managing Director, its Mobile, Internet and Education Divisions (Collectively the "Undertakings") at not less than fair value determined by an independent firm of Chartered Accountants or any other professional valuer and with effect from such date and in such manner as may be determined by the Board and/ or the Managing Director. The Board and/ or the Managing Director has also been authorised to do such acts, deeds and things for completing the sale and transfer of the Undertakings. Accordingly, the above undertakings are considered as 'discontinuing operations' in terms of Accounting Standard 24 on 'Discontinuing Operations' (AS 24).

The disclosures required under AS 24 are as under :

a. Details of revenue and expenses and assets and liabilities of continuing and discontinuing operations

Particulars	₹ in Lacs					
	2010-2011			2009-2010		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Turnover (net)	14,931.74	262.40	15,194.14	15,273.22	9.19	15,282.41
Other Income	1,654.42	0.20	1,654.62	3,317.16	-	3,317.16
Total Income	16,586.16	262.60	16,848.76	18,590.38	9.19	18,599.57
Total Expenditure	16,181.72	1,099.03	17,280.75	15,960.52	413.78	16,374.30
Profit / (Loss) before tax	404.44	(836.43)	(431.99)	2,629.86	(404.59)	2,225.27
Provision for taxation	(90.33)	(1.28)	(91.60)	706.08	0.11	706.18
Profit / (Loss) after tax	494.77	(835.16)	(340.39)	1,923.78	(404.70)	1,519.09
Assets	41,911.92	432.24	42,344.16	42,861.02	64.57	42,925.59
Liabilities	(2,439.40)	(219.10)	(2,658.50)	(2,712.88)	(34.59)	(2,747.47)

b. Cash flow from continuing and discontinuing operations

Particulars	₹ in Lacs					
	2010-2011			2009-2010		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Net cash (used in) operating activities	(294.39)	(989.58)	(1,283.97)	(1,210.75)	(430.88)	(1,641.63)
Net cash from / (used in) investing activities	2,087.59	(387.59)	1,700.00	1,061.81	(3.69)	1,058.12
Net cash (used in) financing activities	(228.89)	-	(228.89)	(228.89)	-	(228.89)

Schedules

forming part of the accounts

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

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
a. Expenditure in foreign currency		
Travelling expenses	33.09	8.57
Others	22.83	7.63
b. Earnings in foreign exchange		
Export of television software/ serials	-	3,663.72

- c. Amount remitted during the financial year on account of dividends

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
Amount of Dividend		
Year to which dividend relates		
Final dividend for the financial year 2009-2010	195.63	195.63
Number of non-resident shareholders		
Year to which dividend relates		
Final dividend for the financial year 2009-2010	575	505
Number of equity shares held by them on which dividend was due		
Year to which dividend relates		
Final dividend for the financial year 2009-2010	1,049,407	399,864
Amount remitted (net of tax) to banks or power holders in India of the non-resident shareholders		
Year to which dividend relates		
Final dividend for the financial year 2009-2010	3.15	1.20

16. As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.
17. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedule 1 to 15

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Ekta Kapoor
(Joint Managing Director)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Snehal Shah
(Proprietor)

Alpa Khandor
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Place : Mumbai
Date : May 23, 2011

Balance Sheet Abstract

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

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue
Rights Issue

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities
Total Assets

Sources of Funds

Paid-Up Capital

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Deferred Tax Asset

Reserve and Surplus

Unsecured Loans

Investments

Miscellaneous Expenditure

Deferred Tax Liability

IV. Performance of Company (Amount in ₹ Thousand)

Turnover

Profit / Loss before Tax

Earning Per Share in ₹

Total Expenditure

Profit / Loss after Tax

Dividend Rate %

REFER NOTE B10 OF SCHEDULE 15

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Items Code No. (ITC Code)

Product Description

Consolidated Auditors' Report

To the Board of Directors of Balaji Telefilms Limited.

1. We have audited the attached Consolidated Balance Sheet of Balaji Telefilms Limited ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - ii) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date and
 - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

A.B. Jani
Partner
Membership Number: 46488
Mumbai
May 23, 2011

For Snehal & Associates
Chartered Accountants
Reg. No 110314W

Snehal Shah
Proprietor
Membership Number: 40016
Mumbai
May 23, 2011

Consolidated Balance Sheet

as at March 31, 2011

		(₹ in Lacs)			
		Schedule No.	As At March 31, 2011		As At March 31, 2010
I. SOURCES OF FUNDS					
1 Shareholders' funds					
A.	Share capital	1	1,304.21		1,304.21
B.	Reserves and surplus	2	35,942.56		36,202.67
				37,246.77	37,506.88
2 Deferred tax liability (net)					
				-	91.16
TOTAL			37,246.77		37,598.04
II. APPLICATION OF FUNDS					
1 Fixed assets					
	Gross block	3	14,889.36		14,904.28
	Less : depreciation		6,307.95		6,756.27
	Net block		8,581.41		8,148.01
	Capital work in progress		9.51		289.93
				8,590.92	8,437.94
2 Investments					
		4		17,607.55	17,978.66
3 Deferred tax asset (net)					
				5.63	-
4 Current assets, loans and advances					
A.	Inventories	5	1,283.73		2,467.48
B.	Sundry debtors	6	5,208.71		5,993.25
C.	Cash and bank balances	7	511.93		405.10
D.	Loans and advances	8	6,834.73		5,213.13
			13,839.10		14,078.96
Less : Current liabilities and provisions					
A.	Current liabilities	9	2,620.00		2,440.13
B.	Provisions	10	176.43		457.39
			2,796.43		2,897.52
Net current assets				11,042.67	11,181.44
TOTAL				37,246.77	37,598.04
Significant accounting policies and notes on accounts					
		15			

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Ekta Kapoor
(Joint Managing Director)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Snehal Shah
(Proprietor)

Alpa Khandor
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Place : Mumbai
Date : May 23, 2011

Consolidated Profit and Loss Account

for the year ended March 31, 2011

		(₹ in Lacs)			
	Schedule No.	For the Year 2010-2011		Previous Year 2009-2010	
INCOME					
Turnover			19,363.85		15,873.50
Other income	11		1,688.42		3,317.04
TOTAL			21,052.27		19,190.54
EXPENDITURE					
Cost of production	12		13,629.71		11,252.94
Employee costs	13		2,325.75		1,888.32
Administrative and other expenses	14		4,118.19		3,676.94
Depreciation / Amortisation			1,121.74		1,036.96
TOTAL			21,195.39		17,855.15
(LOSS) /PROFIT BEFORE TAX					
Profit from continuing operations before tax		693.31	(143.12)	1,739.98	1,335.39
Provision for tax					
Current tax		(56.51)		(168.17)	
(Short) provisions for tax in respect of earlier years		-		(13.09)	
Wealth Tax		(5.20)		(4.31)	
Deferred tax		95.53		(520.52)	
Profit from continuing operations after tax			727.13		1,033.89
(Loss) from discontinuing operations before tax		(836.43)		(404.59)	
Provision for tax					
Current tax		-		-	
(Short) provision for tax in respect of earlier years		-		-	
Wealth tax		-		-	
Deferred tax		1.28		(0.11)	
(LOSS) FROM DISCONTINUING OPERATIONS AFTER TAX			(835.15)		(404.70)
(LOSS) /PROFIT AFTER TAX					
Balance brought forward from previous year			(108.03)		629.20
			16,756.30		16,509.21
AMOUNT AVAILABLE FOR APPROPRIATION					
Appropriation			16,648.27		17,138.41
Transferred to general reserve			-		153.22
Proposed dividend			130.42		195.63
Corporate dividend tax			21.66		33.26
BALANCE CARRIED TO BALANCE SHEET					
Basic and diluted earnings per share			16,496.18		16,756.30
(Refer note B7 of Schedule 15)			(0.17)		0.96
Significant accounting policies and notes on accounts	15				

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Ekta Kapoor
(Joint Managing Director)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Snehal Shah
(Proprietor)

Alpa Khandor
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Place : Mumbai
Date : May 23, 2011

Consolidated Cash Flow Statement

for the year ended March 31, 2011

	(₹ in Lacs)			
	For the Year 2010-2011		Previous Year 2009-2010	
A CASH FLOW FROM OPERATING ACTIVITIES				
(Loss) / Profit before extra-ordinary item and tax	(143.12)		1,335.39	
Adjustments for:				
Depreciation / amortisation	1,121.74		1,036.96	
Bad debts written off	5.20		10.63	
Provision for doubtful debts and advances (net)	6.45		114.00	
Loss on sale / discard of fixed assets(net)	5.41		72.73	
Profit on sale of long term investments (non trade) (net)	(1,341.19)		(1,258.24)	
Provision for doubtful debts written back (net)	-		(1,119.40)	
Excess provision of earlier years written -back (net)	(37.12)		(73.44)	
Provision for diminution in long term investments (non-trade) written back	-		(440.00)	
Advances written off	25.47		-	
Interest	(26.02)		(52.70)	
Dividend income	(179.17)		(251.18)	
Operating (loss) before working capital changes	(562.35)		(625.25)	
Decrease / (Increase) in trade and other receivable	111.14		(259.47)	
Decrease / (Increase) in inventories	1,183.75		(1,544.92)	
Increase / (Decrease) in trade payables	216.01		(1,396.21)	
		948.55		(3,825.85)
Direct taxes paid (net)		(1,250.17)		(970.44)
Net cash (used in) operating activities (a)		(301.62)		(4,796.29)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(1,285.48)		(393.16)	
Sale of fixed assets	5.34		47.75	
Purchase of investments	(38,249.34)		(16,882.32)	
Sale of investments	39,961.63		22,169.22	
Investments in subsidiary / Trust	-		(1,000.00)	
Interest	26.02		65.96	
Dividend income received	179.17		251.18	
Net cash from investing activities(b)		637.34		4,258.63
C CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid	(195.63)		(195.63)	
Corporate dividend tax paid	(33.26)		(33.26)	
Net cash (used in) financing activities (c)		(228.89)		(228.89)
Net increase / (decrease) in cash and Cash equivalents (a+b+c)		106.83		(766.55)
Cash and cash equivalent as at beginning of the year		405.10		1,171.65
Cash and cash equivalents as at end of the year		511.93		405.10

Consolidated Cash Flow Statement

for the year ended March 31, 2011

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
Note:		
1. Components of Cash and Cash equivalent include cash and bank balances refer Schedule 7)		
2. Reconciliation of Cash and Cash Equivalents:		
As per Balance Sheet - Schedule 7	511.93	405.10
Less: Interest accrued on bank deposits	-	-
As per Cash Flow Statement	511.93	405.10
3. Cash and cash equivalents includes Fixed Deposits of ₹ 35.10 Lacs (previous year ₹65.55 Lacs) on which the Bank has lien.		
4. Purchase of fixed assets (including movements in capital work in progress) is treated as a part of investing activities.		
5. Cash and cash equivalents include balances in unpaid dividend accounts aggregating to ₹11.13 Lacs (previous year ₹11.03 Lacs).		

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
(Partner)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

Snehal Shah
(Proprietor)

Place : Mumbai
Date : May 23, 2011

For and on behalf of Balaji Telefilms Limited

Jeetendra Kapoor
(Chairman)

D.G.Rajan
(Director)

Alpa Khandor
(Company Secretary)

Place : Mumbai
Date : May 23, 2011

Shobha Kapoor
(Managing Director)

Puneet Kinra
(Group CEO)

Srinivasa Shenoy
(Chief Financial Officer)

Ekta Kapoor
(Joint Managing Director)

Schedules

forming part of the Consolidated Balance Sheet

	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 1		
Share Capital		
Authorised		
75,000,000 equity shares of ₹ 2/- each	1,500.00	1,500.00
Issued, Subscribed and Paid-Up		
65,210,443 equity shares of ₹ 2/- each	1,304.21	1,304.21
Note:		
6,500,000 equity shares of the original value of ₹ 10/- each were allotted as fully paid up bonus shares by capitalisation of surplus in Profit and Loss account.		
TOTAL	1,304.21	1,304.21
SCHEDULE - 2		
Reserves and Surplus		
Securities premium account		
As per last Balance sheet	14,785.61	14,785.61
General reserve		
As per last Balance sheet	4,660.77	4,507.55
Add: Transferred from Profit and Loss account	-	153.22
	4,660.77	4,660.77
Surplus in Profit and Loss account	16,496.18	16,756.30
TOTAL	35,942.56	36,202.67

Schedules

forming part of the Consolidated Balance Sheet

SCHEDULE 3 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	Upto March 31, 2010	For the year	On Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land	4,795.30	81.80	-	4,877.10	-	-	-	-	4,877.10	4,795.30
Buildings	469.36	-	-	469.36	42.49	7.65	-	50.14	419.22	426.87
Plant and machinery - Computers	620.91	-	-	620.91	269.98	100.65	-	370.63	250.28	350.93
Plant and machinery - Others	1,977.90	243.78	-	2,221.68	912.11	149.33	-	1,061.44	1,160.24	1,065.79
Computers	381.51	85.31	-	466.82	273.38	71.99	-	345.37	121.45	108.13
Studios and sets	5,202.78	742.53	1,560.57	4,384.74	4,755.22	590.92	1,560.57	3,785.57	599.17	447.56
Vehicles	664.91	111.53	20.24	756.20	237.02	66.51	9.49	294.04	462.16	427.89
Furniture and fixtures	273.55	29.19	-	302.74	100.25	18.41	-	118.66	184.08	173.30
Office equipments	278.11	52.55	-	330.66	56.24	15.29	-	71.53	259.13	221.87
Electrical fittings	51.52	21.53	-	73.05	12.10	3.35	-	15.45	57.60	39.42
Lease Hold Improvements	188.43	197.67	-	386.10	97.48	97.64	-	195.12	190.98	90.95
TOTAL	14,904.28	1,565.89	1,580.81	14,889.36	6,756.27	1,121.74	1,570.06	6,307.95	8,581.41	8,148.01
Previous Year	9,834.65	5,242.22	172.59	14,904.28	5,771.44	1,036.96	52.13	6,756.27	9.51	289.93
Capital work in progress (Including Capital Advances)								TOTAL	8,590.92	8,437.94

Notes:

- Building includes ₹220.86 Lacs (previous year ₹220.86 Lacs), being cost of ownership premises in co-operative society including cost of shares of face value of ₹0.01 Lac received under Bye-law of the society.
- The Company, in the previous year, had invested amounts aggregating to ₹ 4,795.30 Lacs in three adjacent plots of land approximately admeasuring 38,870 sq. mtrs. in aggregate, situated within the limits of Mira Bhayander Municipal Corporation. In the previous year, the Company was made a party in the dispute with respect to the above plots of land between the original owner of the said plots of land and another party, who claimed to have purchased the aforesaid plots of land at an earlier date. The Company is pursuing all legal remedies available in both the aforesaid matters. The buyer withdrew their Special Leave for Petition unconditionally.
- Capital work-in-progress includes ₹ NIL (previous year ₹271 Lacs) paid to a party for purchase of premises in Santacruz Electronic Export Processing Zone. The Company during the year has recovered ₹245.53 Lacs and written off the balance amount.

Schedules

forming part of the Consolidated Balance Sheet

	Face Value (in ₹)	(₹ in Lacs)			
		Numbers		Value	
		As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 4					
Investments					
Long Term Investments (Non Trade)					
In Units Of Mutual Funds					-
Birla Sun Life Fixed Term Plan Series BK	10.00	-	50,00,000	-	500.00
Birla Sun Life Floating Rate Fund Long Term - Institutional - Weekly Dividend Reinvestment	10.00	-	33,53,392	-	336.64
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	10.00	-	18,25,505	-	204.44
Birla Sunlife Medium Term Plan - Institutional Growth	10.00	1,38,67,757	-	1,500.66	-
Canara Robeco Fixed Maturity Plan - Series 4 (19 Months Plan)	10.00	-	20,00,000	-	200.00
DSP Blackrock FMP13M Series 2 Growth	10.00	50,00,000	50,00,000	500.00	500.00
DSP Blackrock FMP 3M Series 28 - Growth	10.00	50,00,000	-	500.00	-
DSP BlackRock FMP - 3 Months - Series 32 - Growth	10.00	50,00,000	-	500.00	-
DWS Fixed Term Fund - Series 62 - Institutional Growth	10.00	-	1,00,00,000	-	1,000.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	10.00	-	16,54,422	-	167.79
Fortis FTP - Series 14 Plan C Institutional Growth	10.00	-	50,00,000	-	500.00
Fortis Money Plus - Institutional Growth	10.00	-	37,76,150	-	500.00
HDFC FMP 13M March 2010 Growth - Series XII	10.00	50,00,000	50,00,000	500.00	500.00
HDFC FMP 13M October 2009 - Growth - Series XI	10.00	-	50,00,000	-	500.00
HDFC FMP 20M August 2008 (IX) - Wholesale Plan Growth	10.00	-	20,00,000	-	200.00
HDFC FMP 20M Sep 2009 - Growth - Series XI	10.00	51,03,428	51,03,428	510.34	510.34
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	-	39,16,459	-	415.34
HDFC High Interest Fund - Short Term Plan - Dividend, Option : Reinvestment	10.00	-	39,18,985	-	414.10
HDFC Liquid Fund Premium Plan - Growth	10.00	6,90,596	-	135.05	-
ICICI Long Term Floating Rate Plan C - Growth	10.00	1,48,90,850	-	1,500.00	-
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	10.00	-	97,110	-	102.39
ICICI Prudential Flexible Income Plan - Weekly Dividend	100.00	-	2,40,361	-	253.42
ICICI Prudential FMP Series 49 - 1 year Plan B Institutional Growth	10.00	-	40,02,921	-	400.29
ICICI Prudential Interval Fund - Half Yearly Interval Plan I - Institutional Growth	10.00	99,93,205	-	1,000.00	-
ICICI Prudential Interval Fund -Quarterly Interval Plan - II - Institutional Growth	10.00	43,78,374	-	502.05	-
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Institutional Growth	10.00	1,93,11,621	-	2,004.85	-
ICICI Prudential Interval Fund III Quarterly Interval Plan Retail Growth	10.00	40,48,714	-	502.36	-
IDFC FMP - 100 Days - Series 3 - Growth	10.00	1,00,00,000	-	1,000.00	-
IDFC FMP - Thirteen Months Series 1 - Plan B - Growth	10.00	-	50,00,000	-	500.00
JM Arbitrage Advantage Fund - Growth Plan	10.00	-	20,00,000	-	200.00
Kotak Floater Long Term - Growth	10.00	-	4,11,056	-	57.49
Kotak Floater Long Term - Weekly Dividend	10.00	-	1,16,47,770	-	1,174.41
Kotak FMP 13M Series 6 - Growth	10.00	30,81,120	30,81,120	308.11	308.11

Schedules

forming part of the Consolidated Balance Sheet

	Face Value (in ₹)	(₹ in Lacs)			
		Numbers		Value	
		As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 4 (Continued)					
Kotak FMP 19M Series 1 - Institutional - Growth	10.00	-	20,00,000	-	200.00
L&T Fixed Maturity Plan Series 12 Plan 15M March 10 I Growth	10.00	50,00,000	50,00,000	500.00	500.00
Reliance Fixed Horizon Fund IX - Series 6 - Institutional Growth Plan	10.00	-	20,00,000	-	200.00
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional Growth Plan	10.00	-	1,00,00,000	-	1,000.00
Reliance Fixed Horizon Fund - XVIII - Series 3-Growth Plan	10.00	1,50,00,000	-	1,500.00	-
Reliance Fixed Horizon Fund XVIII - Series 7 - Growth	10.00	1,00,00,000	-	1,000.00	-
Reliance Monthly Interval Fund Series II Retail Dividend Plan	10.00	-	19,99,280	-	200.00
Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	10.00	18,76,204	41,48,379	238.85	500.00
Reliance Short Term Fund - Retail Plan - Dividend Plan	10.00	-	38,64,912	-	413.99
Religare Fixed Maturity Plan Series II Plan A (13months)	10.00	50,00,000	50,00,000	500.00	500.00
Religare Fixed Maturity Plan Series II Plan B (15months)	10.00	50,00,000	50,00,000	500.00	500.00
Religare FMP - Series I - Plan A (375 Days) - Institutional Growth	10.00	-	50,00,000	-	500.00
Sundaram BNP Paribas Fixed Term 367 Days Series 8 Super Institutional Growth	10.00	-	1,00,00,000	-	1,000.00
Sundaram BNP Paribas Fixed Term Plan L Institutional Growth	10.00	-	20,00,000	-	200.00
Sundaram BNP Paribas FTP 367 Days Series P - Growth	10.00	-	40,00,000	-	400.00
Tata Fixed Maturity Plan Series 25 Scheme B	10.00	40,52,755	40,52,755	405.28	405.28
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	1,000.00	-	62,114	-	714.63
UTI Dynamic Bond Fund - Growth Plan	10.00	1,44,25,712	-	1,500.00	-
UTI Fixed Income Interval Fund Annual Interval Plan Series III - Institutional Growth Plan	10.00	-	20,00,000	-	200.00
UTI Fixed Income Interval Fund- Series II - Quarterly Interval Plan 4 - Institutional - Growth	10.00	48,24,392	-	500.00	-
UTI Fixed Maturity Plan Yearly Series YFMP/0309 - Institutional Growth	10.00	-	50,00,000	-	500.00
UTI Fixed Maturity Plan Yearly Series YFMP09/09 - Institutional Growth	10.00	-	50,00,000	-	500.00
UTI Fixed Term Income Fund Series V - III (24 Months) - Institutional Growth	10.00	-	10,00,000	-	100.00
TOTAL				17,607.55	17,978.66

Schedules

forming part of the Consolidated Balance Sheet

Note:

1. Details of Investments purchased and sold during the year

Particulars	₹ in Lacs)	
	Nos.	Cost
Birla Sun Life Cash Plus - Institutional Premium - Growth	96,71,616	1,500.00
Birla Sun Life Floating Rate Fund Long Term - Institutional - Weekly Dividend Reinvestment	65,749	6.58
Birla Sun Life Savings Fund - Institutional - Growth	42,65,808	772.20
Birla Sunlife Dynamic Bond Fund - Retail	83,49,425	1,327.73
Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend	1,17,95,222	1,315.29
Birla Sunlife Interval Income Fund - Retail Quarterly Series 1 - Growth	40,78,303	500.00
Birla Sunlife Medium Term Plan - Institutional - Growth	72,66,570	759.80
Birla Sunlife Ultra Short Term Fund - Institutional Growth	18,46,227	206.06
Birla Sunlife Ultra Short Term Fund - Institutional Monthly Dividend	74,62,627	761.05
DSP Blackrock 3M FMP- Series 23	50,00,000	500.00
DWS Money Plus Fund Institutional Plan Weekly Dividend	1,894	0.19
Fidelity FMP - Series 3 - Plan C - Growth	1,20,00,000	1,200.00
Fidelity FMP - Series 4 - Plan A - Growth	50,00,000	500.00
Fidelity FMP - Series 4 - Plan C - Growth	1,22,21,233	1,222.12
Fortis Fixed Term Fund Ser 18C Growth	50,00,000	500.00
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Growth	1,15,35,892	2,410.18
HDFC Cash Management Fund - Treasury Advantage - Wholesale Plan - Weekly Dividend - Option Reinvest	1,54,93,416	1,553.55
HDFC FMP 35D November 2010 (1) - Growth Series XVII	1,40,23,228	1,402.32
HDFC High Interest Fund - Short Term Plan - Dividend Option : Reinvest	68,32,287	725.44
HDFC Liquid Fund - Growth	74,52,366	1,412.81
HDFC Liquid Fund Premium Plan - Growth	3,52,59,024	6,839.95
HDFC Short Term Plan - Dividend Option : Reinvest	98,06,525	1,016.11
HDFC Short Term Plan - Growth	46,77,002	850.00
ICICI Prudential Flexible Income Plan - Premium - Growth	15,31,455	2,704.06
ICICI Prudential Flexible Income Plan - Premium - Weekly Dividend Reinvestment	1,89,998	200.33
ICICI Prudential Flexible Income Plan - Weekly Dividend	11,43,882	1,206.48
ICICI Prudential Interval Fund II Quarterly Interval Plan - B Institutional Cumulative	49,20,049	500.00
ICICI Prudential Interval Fund V Monthly Interval Plan A Retail Growth	35,95,873	401.93
ICICI Prudential Liquid Super Institutional Plan - Growth	10,62,178	1,509.71
IDFC Fixed Maturity Quarterly Series 59 - Growth	50,00,000	500.00
Kotak Floater Long Term - Weekly Dividend	90,36,031	910.60
Reliance Fixed Horizon Fund XV Series 2 - Growth Plan	1,50,59,482	1,505.95
Reliance Fixed Horizon Fund XV Series 3 - Dividend Plan	53,78,457	537.85
Reliance Interval Fund Quarterly Plan - Series I - Institutional Growth Plan	19,96,093	202.35
Reliance Liquid Fund - Cash Plan- Growth Plan	99,25,735	1,558.37
Reliance Money Manager Fund - Institutional Plan Weekly Dividend Plan	1,27,712	1,279.83
Reliance Money Manager Fund-Institutional Option - Growth Plan	15,943	205.57
Reliance Monthly Interval Fund Series I Institutional Growth Plan	16,04,731	207.14
Reliance Monthly Interval Fund Series II Retail Dividend Plan	8,442	0.84
Reliance Short Term Fund - Retail Plan - Dividend Plan	1,03,44,023	1,103.02
SBI Debt Fund Series - 180 Days 10 - Growth	50,00,000	500.00
Tata Floater Fund - Weekly Dividend	59,56,396	600.45
Templeton India Short Term Income Plan Institutional	81,534	1,243.53
Templeton India Short Term Income Plan Institutional Monthly Dividend Reinvestment	45,079	519.74
UTI Dynamic Bond Fund - Growth Plan	49,61,859	500.30
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Growth Plan	59,02,732	600.11
UTI Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Growth Plan	1,25,47,653	1,572.91
UTI Liquid Cash Plan Institutional - Growth Option	1,54,406	2,410.00
UTI Short Term Income Fund Institutional - Growth Option	51,14,440	555.95
UTI Short Term Income Fund Institutional - Income Option - Re-investment	1,53,92,245	1,563.92
UTI Treasury Advantage Fund - Institutional Plan Growth Option	20,469	260.24

Schedules

forming part of the Consolidated Balance Sheet

	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 5		
Inventories		
Television serials / films	1,234.00	2,405.27
Tapes	7.44	8.53
Content	42.29	53.68
TOTAL	1,283.73	2,467.48
SCHEDULE - 6		
Sundry Debtors		
(Unsecured)		
Debts outstanding for a period exceeding six months	149.73	1,399.99
Other debts (includes unbilled debtors amounting to ₹NIL (Previous Year 192.24 Lacs))	5,079.43	4,607.26
	5,229.16	6,007.25
Less: Provision	20.45	14.00
TOTAL	5,208.71	5,993.25
Note:		
Considered Good	5,208.71	5,993.25
Considered Doubtful	20.45	14.00
TOTAL	5,229.16	6,007.25
SCHEDULE - 7		
Cash and Bank Balances		
Cash on hand	31.97	32.91
Balances with Scheduled Bank		
In Current accounts	320.45	144.31
(Includes fixed deposit aggregating to ₹679.57 (previous year NIL) having a sweep-in facility with the current account.)		
In Fixed deposits accounts (banks have a lien on Fixed Deposit receipts of ₹35.10 Lacs (previous year ₹65.55 Lacs))	159.51	227.88
TOTAL	511.93	405.10
SCHEDULE - 8		
Loans And Advances		
(Unsecured)		
Loan to Balaji Employees Foundation	1,000.00	1,000.00
Advances recoverable in cash or in kind or for value to be received (refer note 4)	2,412.73	1,769.28
Advance tax (net)	3,260.56	2,275.27
Fringe benefit tax (net)	5.57	5.57
Deposits *	1,007.88	1,015.01
	7,686.73	6,065.13
Less: Provision	852.00	852.00
TOTAL	6,834.73	5,213.13
NOTES:		
1. Considered Good	6,834.73	5,213.13
Considered Doubtful	852.00	852.00
TOTAL	7,686.73	6,065.13
2. * Includes deposits given to directors / relative of directors for property taken on lease from them	846.60	846.60
3. Maximum amount outstanding at any time during the year for above deposits	846.60	946.60
4. Includes advances given for projects ₹1,899.33 Lacs (previous year ₹1,341.27 Lacs)		

Schedules

forming part of the Consolidated Balance Sheet

	(₹ in Lacs)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 9		
Current Liabilities		
Sundry creditors		
(i) Total outstanding dues to micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises(Including temporarily overdrawn book balances ₹0.61 Lacs, previous year ₹51.80 Lacs)	1,863.40	1,642.65
	1,863.40	1,642.65
Unclaimed Dividend *	11.13	11.03
Other liabilities	676.66	745.32
Advances received from customers	68.81	41.13
TOTAL	2,620.00	2,440.13
* - Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due.		

SCHEDULE - 10		
Provisions		
For Taxation (net)	24.35	227.52
For Gratuity	-	0.98
For Proposed dividend	130.42	195.63
For Corporate dividend tax	21.66	33.26
TOTAL	176.43	457.39

Schedules

forming part of the Consolidated Profit and Loss Account

	(₹ in Lacs)			
	For the Year 2010-2011		Previous Year 2009-2010	
SCHEDULE - 11				
Other Income				
Interest on:				
Fixed deposits with banks (gross)	26.02		52.70	
(Tax deducted at source ₹ 2.61 Lacs (previous year ₹ 18.10 Lacs))				
Staff loan / other loans	0.66		4.19	
Income tax refund	25.45		-	
		52.13		56.89
Insurance Claim Received		0.41		68.07
Dividend on long term investments (non-trade)		179.17		251.18
Excess provision of doubtful debts written back (net off ₹NIL (previous year ₹808.36 Lacs) of bad debts written off and service tax liability on the same aggregating to ₹NIL (previous year ₹88.92 Lacs) written back)		-		1,119.40
Profit on sale of long term investments (non-trade) (net)		1,341.19		1,258.24
Provision for diminution in the value of long term investments written back		-		440.00
Excess provision for earlier years written back(net)		37.12		73.44
Miscellaneous income		78.40		49.82
TOTAL		1,688.42		3,317.04
SCHEDULE - 12				
Cost Of Production / Acquisition Of Television Serials / Films / Content				
Opening stock of television serials, films, tapes and content		2,467.48		922.56
Add: Cost of production				
Acquisition Cost	22.28		-	
Purchase of costumes and dresses	139.04		162.11	
Purchase of tapes / raw stock	280.56		190.01	
Artists, junior artists, dubbing artists fees	2,799.36		2,476.08	
Directors, technicians and other fees	3,681.56		3,533.59	
Shooting and location expenses	2,123.54		2,378.40	
Telecasting fees	953.73		1,135.46	
Uplinking charges / Special dispatch charges	22.53		180.37	
Food and refreshments	256.21		238.88	
Set properties and equipment hire charges	795.93		786.30	
Negative processing charges	83.97		-	
Insurance	13.59		22.83	
Line Production Charges	384.99		1,109.85	
Other production expenses	888.67		583.98	
		12,445.96		12,797.86
		14,913.44		13,720.42
Less: Closing stock of television serials, films, tapes and content		1,283.73		2,467.48
TOTAL		13,629.71		11,252.94

Schedules

forming part of the Profit and Loss Account

	(₹ in Lacs)	
	For the Year 2010-2011	Previous year 2009-2010
SCHEDULE - 13		
Employee Costs		
Salaries, wages and bonus	2,076.37	1,716.14
Contribution to Provident and Other funds	191.37	115.78
Staff welfare expenses	58.01	56.40
TOTAL	2,325.75	1,888.32
SCHEDULE - 14		
Administrative and Other Expenses		
Electricity and water charges	282.94	333.94
Lease rent	808.78	877.48
Rates and taxes	102.38	41.51
Insurance	119.62	100.10
Repairs and maintenance		
Plant and machinery	37.49	53.36
Others	99.55	138.64
Travelling and conveyance expenses	234.82	171.07
Legal and professional charges	826.12	720.83
Communication charges	95.64	80.93
Loss on sale / discard of fixed assets (net)	5.41	72.73
Software expenses	47.16	31.76
Advances written off	25.47	-
Donations	32.11	35.26
Bad debts written off	5.20	10.63
Foreign exchange loss (net)	1.30	-
Provision for doubtful debts and advances	6.45	114.00
Directors' sitting fees	6.05	3.70
Advertisement and sales promotion expenses	919.49	457.21
Commission	11.63	0.96
Miscellaneous expenses*	450.58	432.83
TOTAL	4,118.19	3,676.94

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

Schedules

forming part of the Consolidated Financial Statements

SCHEDULE 15

Significant accounting policies and notes on accounts

A. Significant Accounting Policies:

Basis of preparation of financial statements

The accompanying Consolidated Financial Statements of the Balaji Telefilms Limited (BTL/Parent Company) and its Balaji Motion Pictures Limited (Subsidiary) as aforesaid (hereinafter together referred as "the group"), have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards (AS) notified in the Companies (Accounting Standards) Rules 2006. The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as that of the Parent Company namely March 31, 2011.

Principles of Consolidation

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

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

Use of Estimates

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

Fixed assets

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

Depreciation / Amortisation

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

Studios and sets @ 33.33%

Leasehold improvements are amortised over the period of lease

Impairment loss

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

Investments

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

Inventories

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

Tapes : First In First Out

Television serials/ feature films : Average cost

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

Revenue recognition

- a) In respect of sponsored programmes, revenue is recognised as and when the relevant episodes of the programmes are telecast.
- b) In respect of commissioned programmes, revenue is recognised as and when the relevant episodes of the programmes are delivered to the channels.
- c) In respect of films, produced / co-produced / acquired, revenue is recognised in accordance with the terms and conditions of the agreements on or after the first theatrical release of the films.

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

Schedules

forming part of the Consolidated Financial Statements

Employee benefits

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

Foreign currency transactions

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

Borrowing costs

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

Operating leases

Assets taken on lease under which, all the risks and rewards of the ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognised 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 recognised 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 recognised if there is a virtual certainty that sufficient future taxable income will be available to realise the same. (Refer note 8 below).

Provisions and Contingencies

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

B. Notes on Accounts

1. Details of Subsidiary included in Consolidated Financial Statements

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

Schedules

forming part of the Consolidated Financial Statements

	(₹ in Lacs)	
	As at March 31,2011	As at March 31,2010
2. Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	50.00
3. The Parent Company has applied to the Office of the Commissioner of Sales Tax, Mumbai, to ascertain whether the Parent Company's sales are liable to tax under the Sales Tax laws. The matter is still pending before the Sales Tax authority. Subsequent to the year end the Parent Company has received a letter from the office of Deputy Commissioner of Sales Tax inquiring about the Parent Company's intentions on pursuing the DDQ, to which the Parent Company has responded positively, in favor of getting a clarification in the matter. (Also refer note 4(b) below)		
4. Contingent liabilities in respect of	495.00	495.00
a) Claim against the Parent Company not acknowledged as debts. This represents demand raised by a Prasar Bharti Broadcasting Corporation of India. The Parent Company is of the view that the claim is not valid. Legal proceedings have been initiated for quashing the said demand. The amount disclosed is the minimum liability on this count excluding interest thereon which is presently not quantifiable.		
b) The Parent Company has received notices of demand from the Department of Sales Tax, Government of Maharashtra pertaining to the years 2000 to 2005. The department has sought to tax the Sales revenue of the Parent Company under the 'Commissioned Programs' category to Sales Tax under the Bombay Sales Tax Act, 1959. The Parent Company has appealed against the said order of the Sales Tax Officer to the Deputy Commissioner (appeals) and the same is pending adjudication.	22,363.00	-
c) During the current and previous financial years, the Parent Company had received demand notices from the Office of the Commissioner of Service Tax, Mumbai (excluding Interest and penalty) pertaining to Service tax for the period April 2006 to March 2010 on exports made to one of the customers of the Parent Company. On appeal, the matter pertaining to the period April 2006 to March 2008 was adjudicated in favour of the Parent Company. The Commissioner has further filed an appeal against the adjudication with the Customs, Excise & Service Tax Appellate Tribunal. The matter is pending hearing.	9,245.00	-
d) The Parent Company has received an order of compensatory loss from the City Civil and Sessions Court, Greater Mumbai, stating that the Parent Company has unauthorised possession of the administrative place situated at Aarey Milk Colony. The Parent Company has paid 50% of the amount aggregating to ₹18.51 Lacs under protest.	18.51	-
e) The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein 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 Balaji Motion Pictures Limited has 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 the writ petition, no provision of any service tax liability has been made in the books of accounts. The estimated liability in this regard is ₹122.82 Lacs, which is entirely recoverable from the clients of the company.	122.82	-

5. Related Party Disclosures

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

Name of the Related Party	Relationship
Mr. Jeetendra Kapoor	Key management person
Ms. Shobha Kapoor	Key management person
Ms. Ekta Kapoor	Key management person
Mr. Tusshar Kapoor	Relative of Key management person (upto August 26, 2010)
Mr. Tusshar Kapoor	Key management person (w.e.f. August 27, 2010)
Mr. Ramesh Sippy	Relative of Key management person

Schedules

forming part of the Consolidated Financial Statements

b) Details of Transactions with related parties during the year

Nature of Transactions	(₹ in Lacs)					
	Column Number (refer Note II below)				Total	
	1		2		Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Directors sitting fees						
Mr. Jeetendra Kapoor	1.40	1.15	-	-	1.40	1.15
Mr. Tusshar Kapoor	0.45	-	-	-	0.45	-
Rent paid						
Mr. Jeetendra Kapoor	24.78	23.38	-	-	24.78	23.38
Ms. Shobha Kapoor	502.63	494.39	-	-	502.63	494.39
Mr. Tusshar Kapoor	5.72	-	-	5.39	5.72	5.39
Ms. Ekta Kapoor	5.09	4.80	-	-	5.09	4.80
Remuneration						
Ms. Shobha Kapoor	110.12	110.12	-	-	110.12	110.12
Ms. Ekta Kapoor	132.31	132.31	-	-	132.31	132.31
Mr. Tusshar Kapoor	11.76	-	-	11.76	11.76	11.76
Artist Fees						
Mr. Tusshar Kapoor	-	-	-	75.00	-	75.00
Dividend paid						
Ms. Shobha Kapoor	30.11	30.08	-	-	30.11	30.08
Ms. Ekta Kapoor	29.33	29.18	-	-	29.33	29.18
Mr. Jeetendra Kapoor	13.18	13.18	-	-	13.18	13.18
Mr. Tusshar Kapoor	6.09	-	-	6.09	6.09	6.09
Deposit given						
Ms. Ekta Kapoor	-	100.00	-	-	-	100.00
Deposit received back						
Ms. Ekta Kapoor	-	100.00	-	-	-	100.00
Amount payable as at March 31, 2011						
Ms. Ekta Kapoor	0.29	-	-	-	0.29	-
Mr. Jeetendra Kapoor	0.62	0.51	-	-	0.62	0.51
Mr. Tusshar Kapoor	0.02	-	-	0.19	0.02	0.19
Amount receivable as at March 31, 2011						
Ms. Shobha Kapoor *	340.00	340.00	-	-	340.00	340.00
Mr. Jeetendra Kapoor *	306.60	306.60	-	-	306.60	306.60
Mr. Tusshar Kapoor *	100.00	-	-	100.00	100.00	100.00
Ms. Ekta Kapoor *	100.00	100.00	-	-	100.00	100.00

* Deposits for lease property

Notes:

- I. There are no provision for doubtful debts, amounts written off or written back during the year in respect of debts due from or due to related parties.
- II. Column number represents -
 1. Key management personnel
 2. Relatives of key management personnel

Schedules

forming part of the Consolidated Financial Statements

6. Segmental Information

A) Information about primary segments

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

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

(₹ in Lacs)								
	Commissioned Programmes		Sponsored Programmes		Feature Films		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE								
From External Customers	12,913.80	12,838.16	2,280.34	2,444.25	4169.71	638.58	19,363.85	15,920.99
Add: Inter Segment sale	-	-	-	-	-	-	-	-
Total revenue	12,913.80	12,838.16	2,280.34	2,444.25	4,169.71	638.58	19,363.85	15,920.99
Segment result	2,980.52	4,676.94	611.10	458.44	290.07	(888.68)	3,881.69	4,246.70
Unallocable Corporate (expenses)/ income (net)	-	-	-	-	-	-	(5,571.57)	(4,476.53)
Operating (loss)	-	-	-	-	-	-	(1,689.88)	(229.84)
Interest income/Dividend on Long-Term Investments	-	-	-	-	-	-	205.57	306.98
Profit on sale of Long-Term Investments (non trade)	-	-	-	-	-	-	1,341.19	1,258.24
Tax expense	-	-	-	-	-	-	35.09	(706.19)
(Loss) / Profit after tax	-	-	-	-	-	-	(108.03)	629.20
OTHER INFORMATION:								
Segment assets	7,862.85	12,273.02	970.54	844.00	3,230.40	4,163.36	12,063.78	17,280.38
Unallocated Corporate assets	-	-	-	-	-	-	27,979.42	23,215.18
Total assets	-	-	-	-	-	-	40,043.20	40,495.56
Segment liabilities	1,688.19	1,152.37	181.25	100.50	137.93	241.21	2,007.38	1,494.08
Unallocated Corporate liabilities	-	-	-	-	-	-	789.05	1,403.44
Total liabilities	-	-	-	-	-	-	2,796.43	2,897.52
Capital expenditure	986.31	232.32	-	1.13	0.90	2.38	987.21	235.83
Depreciation / Amortisation	838.23	727.81	3.46	3.45	3.92	3.53	845.61	734.78
Significant non cash expenses other than depreciation / amortisation								
Loss on sale / discard of fixed assets (net)	-	10.30	-	-	-	-	-	10.30
Provision for doubtful debts and advances	8.22	-	(6.68)	14.00	-	100.00	1.54	114.00
Bad debts written off	-	808.36	3.68	-	1.52	-	5.20	808.36

Schedules

forming part of the Consolidated Financial Statements

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

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

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

	(₹ in Lacs)					
	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
A) Revenue (Turnover)	246.88	3,913.72	19,116.97	11,959.78	19,363.85	15,873.50
B) Carrying amount of assets	1.84	716.46	22,428.18	25,393.82	22,430.02	26,110.28
C) Addition to fixed assets	-	-	1,565.89	393.16	1,565.89	393.16

7. Earnings per share

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

	For the Year 2010-2011	Previous Year 2009-2010
(A) Profit for the year attributable to equity share holders-(₹ in Lacs)	(108.03)	629.20
(B) Weighted average number of equity shares outstanding during the year (Nos.)	65,210,443	65,210,443
(C) Earnings per share - Basic and diluted (₹)	(0.17)	0.96
(D) Nominal value of shares (₹)	2	2

8. Components of deferred tax assets and (liabilities)

	(₹ in Lacs)	
	For the Year 2010-2011	Previous Year 2009-2010
Difference between the books and tax written down values of fixed assets	(4.45)	(95.92)
Provision for doubtful debts and advances	6.80	4.76
Disallowance under the Income Tax Act, 1961	3.28	-
Deferred tax asset/ (liability)-net Total	5.63	(91.16)

9. Lease Transactions

- a) The Parent Company has taken certain premises on non-cancellable operating lease basis. Future lease rentals in respect of fixed assets taken on non-cancellable operating lease basis are as follows:

	(₹ in Lacs)	
	As at March 31,2011	As at March 31,2010
1) Amount due within 1 year	573.79	495.89
2) Amount due later than 1 year and not later than 5 years	1,493.72	222.39
3) Amount due later than 5 years	1,441.65	-
TOTAL	3,909.16	718.28

- b) The Parent Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 36 months.
- c) Amount of lease rentals charged to the profit and loss account in respect of operating leases is ₹ 807.58 Lacs (previous year ₹875.18 Lacs)

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10. Discontinued Operations

The Company has obtained shareholders approval via resolution passed through postal ballot on February 18, 2011 to sell and transfer as a going concern, on slump sale basis on such terms and conditions as are negotiated by the Board and/or the Managing Director, its Mobile, Internet and Education Divisions (Collectively the "Undertakings") at not less than fair value determined by an independent firm of Chartered Accountants or any other professional valuer and with effect from such date and in such manner as may be determined by the Board and/or the Managing Director. The Board and/or the Managing Director has also been authorised to do such acts, deeds and things for completing the sale and transfer of the Undertakings. Accordingly, the above undertakings are considered as 'discontinuing operations' in terms of Accounting Standard 24 on 'Discontinuing Operations' (AS 24).

The disclosures required under AS 24 are as under :

a. Details of revenue and expenses and assets and liabilities of continuing and discontinuing operations

Particulars	(₹ in Lacs)					
	2010-2011			2009-2010		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	19,101.45	262.40	19,363.85	15,864.31	9.19	15,873.50
Other Income	1,688.22	0.20	1,688.42	3,317.04	-	3,317.04
Total Income	20,789.67	262.60	21,052.27	19,181.35	9.19	19,190.54
Total Expenditure	20,096.36	1,099.03	21,195.39	17,441.37	413.78	17,855.15
Profit / (Loss) before tax	693.31	(836.43)	(143.12)	1,739.98	(404.59)	1,335.39
Provision for taxation	(33.81)	(1.28)	(35.09)	706.08	0.11	706.19
Profit / (Loss) after tax	727.13	(835.16)	(108.03)	1,033.90	(404.70)	629.20
Assets	39,610.96	432.24	40,043.20	40,430.99	64.57	40,495.56
Liabilities	(2,577.33)	(219.10)	(2,796.43)	(2,954.09)	(34.59)	(2,988.68)

b. Cash flow from continuing and discontinuing operations

Particulars	(₹ in Lacs)					
	2010-2011			2009-2010		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Net cash from / (used in) operating activities	687.96	(989.58)	(301.62)	(4,365.41)	(430.88)	(4,796.29)
Net cash from / (used in) / from investing activities	1,024.92	(387.59)	637.34	4,262.32	(3.69)	4,258.63
Net cash (used in) financing activities	(228.89)	-	(228.89)	(228.89)	-	(228.89)

11. Employee Benefits

a) Defined Contribution Plans

Both the employees and the Company make predetermined contributions to the provident fund. Amount recognised as expense amounts to ₹ 105.32 Lacs (previous year ₹ 86.29 Lacs)

b) Defined Benefit Plans

I Reconciliation of asset / (liability) recognised in the Balance Sheet (under advances recoverable in cash or kind, refer schedule 8)

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Fair value of plan assets as at the end of the year	53.30	26.07
Present value of obligation as at the end of the year	(32.79)	(18.14)
Net (assets) in the Balance Sheet	20.51	7.94

Schedules

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II Movement in net liability recognised in the Balance Sheet

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Net (assets) as at the beginning of the year	(7.94)	(4.82)
Net expense recognised in the profit and loss account	12.00	17.23
Contribution during the year	(24.57)	(20.35)
Net (assets) as at the end of the year	(20.51)	(7.94)

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

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Current service cost	13.74	10.66
Interest cost	1.50	1.36
Expected return on plan assets	(2.08)	(2.56)
Actuarial (gains)/losses	(1.16)	7.77
Expense charged to Profit and Loss Account	12.00	17.23

IV Return on plan assets

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Expected return on plan assets	2.08	2.56
Actuarial (gains) / losses	0.57	(1.58)
Actual return on plan assets	2.65	0.98

V Reconciliation of defined benefits commitments

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Commitments at beginning of the year	18.13	13.73
Current service cost	13.74	10.67
Interest cost	1.50	1.36
Actuarial (gains)/losses	(0.59)	6.19
Benefits paid	-	(13.82)
Settlement cost	-	-
Commitments at year end	32.78	18.14

VI Reconciliation of plan assets

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
Fair value of plan assets at beginning of the year	26.07	18.55
Expected return on plan assets	2.08	2.56
Actuarial gains/(losses)	0.57	(1.58)
Employer contribution	24.57	20.35
Benefits paid	-	(13.82)
Fair value of plan assets at year end	53.30	26.07

Schedules

forming part of the Consolidated Financial Statements

VII Experience adjustment

	(₹ in Lacs)	
	For the Year 2010-11	For the Year 2009-10
On plan liability (gains) / losses	(0.59)	6.50
On plan assets gains / (losses)	0.57	(1.58)

VIII Actuarial assumptions

	For the Year 2010-11	For the Year 2009-10
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.25%	8.25%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary(per annum)	5.00%	5.00%

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

	For the year 2010-2011
Insurer managed funds	100%

Composition of fund balance with LIC as at March 31, 2010 is not available with the Company. Major category of plan assets as percentage of total plan assets.

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

Signatures to Schedule 1 to 15

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

For and on behalf of Balaji Telefilms Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Managing Director)

Ekta Kapoor
(Joint Managing Director)

Place : Mumbai
Date : May 23, 2011

For Snehal & Associates
Chartered Accountants

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Snehal Shah
(Proprietor)

Alpa Khandor
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Place : Mumbai
Date : May 23, 2011

Statement Pursuant To Section 212 Of The Companies Act, 1956
Relating To Company's Interest In Subsidiary Company For The Year 2010-11

NAME OF THE SUBSIDIARY COMPANY	Balaji Motion Pictures Limited
1. The financial year of the Subsidiary Company ended on	March 31, 2011
2. Date from which it became Subsidiary Company	March 9, 2007 - Being the date of incorporation
3. a) Number of shares held by the Company with its nominees in the subsidiary at the end of the financial year of the Subsidiary Company	30,000,000
b) Extent of interest in Subsidiary Company	100%
4. The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the Company	
a) Not dealt with in the Company's accounts	
i) for the financial year ended March 31, 2011	₹ 23,235,216
ii) for the previous financial years of the Subsidiary Company since it became the Company's subsidiary	₹ (267,124,566)
b) Dealt with in the Company's accounts	
i) for the financial year ended March 31, 2011	NIL
ii) for the previous financial years of the Subsidiary Company since it became the Company's subsidiary	NIL

Note: Amounts in bracket represent loss.

Balaji Motion Pictures Limited



Directors' Report

The Directors present their Fifth Annual Report together with the audited accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS

	(₹)	
	For the Year 2010-2011	For the Year 2009-2010*
Income		
Turnover	416,970,372	59,109,078
Other income	3,500,719	108,310
TOTAL	420,471,091	59,217,388
Expenditure	391,192,593	147,854,905
Profit/(Loss) before depreciation, interest & tax	29,278,498	(88,637,517)
Interest	-	-
Depreciation	392,010	352,796
Profit/(Loss) before tax	28,886,488	(88,990,313)
Tax	(5,651,272)	-
Profit/(Loss) after tax	23,235,216	(88,990,313)
Balance brought forward from previous year/ period	(267,124,566)	(178,134,253)
TOTAL	(243,889,350)	(267,124,566)
Appropriations		
General reserve	-	-
Balance carried to the balance sheet	(243,889,350)	(267,124,566)

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

OPERATIONS AND BUSINESS PERFORMANCE

The Company successfully released one movie during the year under review and achieved total income of ₹ 4,204.71 Lacs and profit after tax of ₹ 232.35 Lacs. Further, the Company has successfully released three movies in the current fiscal.

Mr. Tanuj Garg has joined as Chief Executive Officer of the Company w.e.f. October 18, 2010 and Ms. Swati Shetty has joined as President of the Company w.e.f. May 9, 2011.

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ended March 31, 2011 are annexed to this Report.

TRANSFER TO RESERVES

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

DIVIDEND

Your Board has not recommended any dividend for the year ended March 31, 2011 to conserve resources for future plans.

SHARE CAPITAL

During the year under review, there was no change in the Authorised and Paid-up Capital of the Company. As on March 31, 2011, the Authorised Capital of the Company stands at ₹ 350,000,000/- (₹ Thirty Five Crores only) and the Paid up Capital of the Company stands at ₹ 300,000,000/- (₹ Thirty Crores only). All the shares are held by Balaji Telefilms Limited, the holding Company and its nominees.

MATERIAL CHANGES AND COMMITMENTS

In our view, there are no material changes and commitments occurred between end of the current financial year 2010-11 and the date of this report, which have effect over the financial position of the Company.

DIRECTORS

During the year, Mr. Jeetendra Kapoor and Ms. Shobha Kapoor retiring Directors were re-appointed as Directors of the Company in the Fourth Annual General Meeting of the Company held on August 27, 2010. Mr. Tusshar Kapoor was re-appointed as Executive Director of the Company for a period of three years effective from August 1, 2010. Mr. Dhruv Kaji resigned from the office of Director of the Company effective from October 28, 2010.

Mr. D. G. Rajan, who was appointed as Additional Director of the Company on July 19, 2010, was appointed as Director of the Company in the Fourth Annual General Meeting of the Company held on August 27, 2010.

Mr. Ashutosh Khanna was appointed as an Additional (Non-Executive and Independent) Director of the Company with effect from August 27, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he will hold office upto the date of the ensuing Annual General Meeting of the Company.

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Akshay Chudasama and Mr. Pradeep Sarma shall retire by rotation and being eligible, offer themselves for re-appointment. Your directors recommend above re-appointments at the ensuing Annual General Meeting.

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

AUDITOR

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

AUDITOR'S REPORT

The observations of the Auditor in their report read with the relevant notes to accounts in Schedule 14 are self-explanatory and do not require further explanation.

AUDIT COMMITTEE

During the year, the Audit Committee of the Board was re-constituted on August 27, 2010. At present, the Audit Committee consists of Mr. D. G. Rajan, Chairman and; Mr. Jeetendra Kapoor, Mr. Akshay Chudasama and Mr. Pradeep Sarma members. The Chairman and the members are Non-Executive Directors of the Company.

FIXED DEPOSITS

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

DISCLOSURE OF PARTICULARS

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

Conservation of Energy:

The operations of the Company are not energy intensive. Adequate measures and steps have been taken to reduce energy consumption, wherever possible. The Company, wherever feasible, has bought star rated equipments, which are energy efficient. Further the Company has spread awareness among the employees on the need to conserve energy, which is well adopted by the employees. The Company constantly evaluates new technologies and invests to make its infrastructure more energy efficient. As energy cost forms a very small part of the total cost, the impact on cost is not material.

Technology Absorption:

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earning in foreign exchange was ₹ 24,688,356/- (Previous year ₹ 25,000,000/-).

Expenditure in foreign exchange was ₹ 1,196,761/- (Previous year ₹ 565,432/-).

PARTICULARS OF EMPLOYEES

Particulars of employees for the year ended March 31, 2011 as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, are as under:

Sr. No.	Name of the Employee	Designation & Nature of Duties	Gross Remuneration (₹)	Nature of Employment	Qualification	Experience	Date of Joining	Age (yr)	Last Employment	% of Equity Shares Held
1	Mr. Vikram Malhotra	Chief Operating Officer	2,898,243	Employee	MBA	10	September 7, 2009	36	Vice President- Worldwide Marketing, Kingfisher Airlines Limited	Nil
2	Mr. Tanuj Garg	Chief Executive Officer	4,286,780	Employee	MBA	10	October 18, 2010	32	Head- International Business, Studio 18 UK- A division of Viacom 18 Media (UK) Limited	Nil

Notes:

- All employees were in service for part of the year. Mr. Vikram Malhotra ceased to be in employment w.e.f. September 9, 2010.
- The nature of employment in all cases is contractual.
- The gross remuneration shown above comprises salary, allowances, gratuity under LIC scheme in terms of actual expenditure incurred by the Company and monetary value of the perquisites as per income tax rules.
- None of the employees mentioned above are related to any Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors,

Jeetendra Kapoor
Chairman

Mumbai
May 23, 2011

Auditor's Report

To the Members of Balaji Motion Pictures Limited

1. We have audited the attached Balance Sheet of Balaji Motion Pictures Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

A.B. Jani
Partner
Membership Number: 46488
Mumbai
May 23, 2011

Annexure to the Auditor's Report

Re: Balaji Motion Pictures Limited

(Referred to in paragraph 3 of our report of even date)

- i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - c) Since none of the fixed assets were disposed off during the year, clause (i) (c) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- iii) According to the information and explanations given to us, the nature of inventories of the Company are such that sub-clauses (a), (b) and (c) of clause (ii) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv)
 - a) The Company has not granted loans to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956. Hence, clause (iii) (a) to (d) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - b) The Company has taken interest free unsecured loans, from its Holding Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 414,947,489 and the year-end balance was ₹ 253,135,732.
 - c) In our opinion, the terms and conditions of the loan taken are not, prima facie not prejudicial to the interests of the Company.
 - d) According to information and explanations given to us, since there are no repayment schedules with regard to the loans taken, clause (iii) (g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of ₹ 5 Lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time where such market prices are available with the Company.
- vii) The Company has not accepted any deposit from the public
- viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- ix) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- x) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Income Tax, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 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, 2011 on account of disputes, except in case of Service Tax which is as detailed below:

Forum where dispute is pending	Nature of dues	Amount (₹)	Financial Year to which amount relates
Office of Commissioner, Service Tax	Service Tax	12,282,157	31.3.2011

- xii) Since the Company is in existence for less than five years from the date of registration, clause (x) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii) 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.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xv) 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.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year.
- xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- xix) According to the information and explanations given to us, the Company has not issued any debentures during the year.
- xx) The Company has not raised money by way of public issues during the year.
- xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

A.B. Jani
Partner
Membership Number: 46488
Mumbai
May 23, 2011

Balance Sheet

as at March 31, 2011

		(₹)				
		Schedule No.	As at March 31, 2011		As at March 31, 2010	
I SOURCES OF FUNDS						
1 Shareholders' funds						
Share capital	1		300,000,000		300,000,000	
2 LOAN FUNDS						
Unsecured Loans From Holding Company			253,135,732		359,339,755	
TOTAL			553,135,732		659,339,755	
II. APPLICATION OF FUNDS						
1 Fixed assets						
Gross block	2		2,432,521		2,342,160	
Less : depreciation			1,044,316		652,306	
Net block			1,388,205		1,689,854	
2 Current assets, loans and advances						
A. Inventories	3		113,666,603		232,206,544	
B. Sundry debtors	4		443,178		38,910,833	
C. Cash and bank balances	5		3,746,006		11,777,072	
D. Loans and advances	6		203,795,868		131,751,405	
			321,651,655		414,645,854	
Less : Current liabilities and provisions						
A. Current liabilities	7		13,793,478		24,022,891	
B. Provisions	8		-		97,628	
			13,793,478		24,120,519	
Net current assets			307,858,177		390,525,335	
3 Profit and Loss Account						
TOTAL			553,135,732		659,339,755	
Significant accounting policies and notes on accounts						
	14					

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

For and on behalf of Balaji Motion Pictures Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

Place : Mumbai
Date : May 23, 2011

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Nitesh Shrivastava
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Profit and Loss Account

for the year ended March 31, 2011

		(₹)	
	Schedule No.	For the Year 2010-11	Previous Year 2009-10
INCOME			
Turnover	9	416,970,372	59,109,078
Other income	10	3,500,719	108,310
TOTAL		420,471,091	59,217,388
EXPENDITURE			
Cost of films produced / acquired	11	264,244,006	64,629,269
Employee costs	12	37,793,188	25,041,535
Administrative and other expenses	13	89,155,399	58,184,101
Depreciation	2	392,010	352,796
TOTAL		391,584,603	148,207,701
PROFIT / (LOSS) BEFORE TAX			
		28,886,488	(88,990,313)
Provision for tax			
Current tax (includes excess provision for tax in respect for earlier years ₹111,396 (previous year ₹NIL))		(5,651,272)	-
PROFIT / (LOSS) AFTER TAX		23,235,216	(88,990,313)
Balance brought forward from previous year		(267,124,566)	(178,134,253)
BALANCE CARRIED TO BALANCE SHEET		(243,889,350)	(267,124,566)
Basic and diluted earnings per share		0.77	(2.97)
(Refer note B6 of Schedule 14)			
Significant Accounting Policies and Notes on Accounts	14		

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

A. B. Jani
(Partner)

Place : Mumbai
Date : May 23, 2011

For and on behalf of Balaji Motion Pictures Limited

Jeetendra Kapoor
(Chairman)

D.G.Rajan
(Director)

Nitesh Shrivastava
(Company Secretary)

Place : Mumbai
Date : May 23, 2011

Shobha Kapoor
(Director)

Puneet Kinra
(Group CEO)

Srinivasa Shenoy
(Chief Financial Officer)

Tusshar Kapoor
(Executive Director)

Cash Flow Statement

for the year ended March 31, 2011

	For the Year 2010-2011		Previous Year 2009-2010	
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax	28,886,488		(88,990,313)	
Adjustments for:				
Depreciation	392,010		352,796	
Interest on fixed deposits with banks	(28,695)		(108,310)	
Bad debts written off	151,906		-	
Provision for doubtful advances	-		10,000,000	
Excess provision of earlier years written -back (net)	(926,857)		-	
Operating profit / (loss) before working capital changes	28,474,852		(78,745,827)	
(Increase) in trade and other receivable	(19,853,492)		(65,130,129)	
Decrease / (Increase) in inventories	118,539,941		(148,978,379)	
(Decrease) in trade payables	(9,400,184)		(20,646,219)	
		117,761,117		(313,500,554)
Direct taxes paid		(19,526,494)		(1,964,440)
Net cash generated from / (used in) operating activities (a)		98,234,623		(315,464,994)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(90,361)		(237,653)	
Interest on fixed deposits with banks	28,695		108,310	
Net cash generated (used in) investing activities (b)		(61,666)		(129,343)
C CASH FLOW FROM FINANCING ACTIVITIES				
Loan/ Advances given by Holding Company	156,744,446		345,309,033	
Loan/ Advances repaid to Holding Company	(262,948,469)		(25,130,000)	
Net cash (used in) / generated from financing activities (c)		(106,204,023)		320,179,033
Net (decrease) / increase in cash and Cash equivalents (a+b+c)		(8,031,066)		4,584,696
Cash and cash equivalent at the beginning of the year		11,777,072		7,192,376
Cash and cash equivalents at the end of the year		3,746,006		11,777,072

Notes :

1. Components of Cash and Cash equivalent include cash and bank balances (refer Schedule 5)
2. Purchase of fixed assets (including movements in capital work in progress) is treated as a part of investing activities

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

For and on behalf of Balaji Motion Pictures Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

Place : Mumbai
Date : May 23, 2011

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Nitesh Shrivastava
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Schedules

forming part of the Balance Sheet

	(₹)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 1		
Share Capital		
Authorised		
35,000,000 equity shares of ₹ 10/- each	350,000,000	350,000,000
Issued, Subscribed And Paid-Up		
30,000,000 Equity shares of ₹ 10/- each	300,000,000	300,000,000
(All the above shares are held by Balaji Telefilms Limited, the holding company and its nominees)		
TOTAL	300,000,000	300,000,000

SCHEDULE 2

Fixed Assets

Particulars	(₹)							
	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2010	Additions	As at March 31, 2011	Upto March 31, 2010	For the Year	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Computers	537,246	90,361	627,607	143,668	116,889	260,557	367,050	393,578
Office equipment	158,018	-	158,018	11,914	8,159	20,073	137,945	146,104
Plant and Machinery - Computer	1,646,896	-	1,646,896	496,724	266,962	763,686	883,210	1,150,172
TOTAL	2,342,160	90,361	2,432,521	652,306	392,010	1,044,316	1,388,205	1,689,854
Previous year	2,104,507	237,653	2,342,160	299,510	352,796	652,306	1,689,854	

	(₹)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 3		
Inventories		
Films	113,666,603	232,206,544
TOTAL	113,666,603	232,206,544

SCHEDULE - 4		
Sundry Debtors		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	352,958	-
Other debts (includes unbilled debtors amounting to ₹NIL (Previous Year ₹19,224,034/-))	90,220	38,910,833
TOTAL	443,178	38,910,833

SCHEDULE - 5		
Cash And Bank Balances		
Cash on hand	296,096	452,429
Balances with scheduled bank		
In Current account	2,799,910	10,699,643
In Fixed Deposits	650,000	625,000
TOTAL	3,746,006	11,777,072

Schedules

forming part of the Balance Sheet

	(₹)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE - 6		
Loans And Advances		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received (refer note 2.)	197,217,816	139,053,575
Advance tax (net)	91,667,372	77,792,150
Deposits	110,680	105,680
	288,995,868	216,951,405
Less: Provision	85,200,000	85,200,000
TOTAL	203,795,868	131,751,405
NOTES:		
1. Considered good	203,795,868	131,751,405
Considered doubtful	85,200,000	85,200,000
	288,995,868	216,951,405
2. includes advances given for projects ₹189,932,911/- (previous year ₹134,127,300/-)		
SCHEDULE - 7		
Current Liabilities		
Sundry creditors: (Refer note B12 of Schedule 14)		
(i) Total outstanding dues to micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises		
and small enterprises (Including temporarily overdrawn book balances ₹NIL (previous year ₹135,925/-)	11,005,114	14,636,571
	11,005,114	14,636,571
Advances received from customers	111,085	3,000,000
Other liabilities	2,677,279	6,386,320
TOTAL	13,793,478	24,022,891
SCHEDULE - 8		
Provisions		
For Gratuity	-	97,628
TOTAL	-	97,628

Schedules

forming part of Profit and Loss Account

	(₹)	
	For the Year 2010-2011	Previous Year 2009-2010
SCHEDULE 9		
Turnover		
Sale of Film rights	416,970,372	59,109,078
TOTAL	416,970,372	59,109,078

	(₹)	
	For the Year 2010-2011	Previous Year 2009-2010
SCHEDULE - 10		
Other Income		
Interest on:		
Fixed deposits with banks (gross)	28,695	108,310
(Tax deducted at source ₹2,827/- (previous year ₹ 16,270/-))		
Income tax refund	2,545,167	-
	2,573,862	108,310
Excess provision for earlier years written back(net)	926,857	-
TOTAL	3,500,719	108,310

SCHEDULE - 11				
Cost Of Films Produced / Acquired				
Opening stock of films		232,206,544		83,228,165
Add: Cost of production / acquisition				
Acquisition Cost	2,227,835		-	
Purchase of costumes and dresses	1,497,784		5,444,485	
Purchase of tapes / raw stock	15,331,326		2,391,203	
Artistes, junior artistes, dubbing artistes fees	37,436,590		35,028,959	
Directors, technicians and other fees	18,644,476		25,482,004	
Shooting and location expenses	7,533,949		16,638,913	
Food and refreshments	553,624		1,696,060	
Set properties and equipment hire charges	7,994,419		8,852,440	
Negative processing charges	8,397,411		-	
Insurance	1,358,896		2,283,311	
Line Production Fees	38,499,125		110,985,000	
Other production expenses	6,228,630		4,805,273	
		145,704,065		213,607,648
		377,910,609		296,835,813
Less: Closing stock of films		113,666,603		232,206,544
TOTAL		264,244,006		64,629,269

Schedules

forming part of Profit and Loss Account

	(₹)	
	For the Year 2010-2011	Previous Year 2009-2010
SCHEDULE - 12		
Employee Costs		
Salaries, wages and bonus	36,028,176	23,833,975
Contribution to Provident and Other funds	1,646,159	1,146,169
Staff welfare expenses	118,853	61,391
TOTAL	37,793,188	25,041,535

SCHEDULE - 13		
Administrative And Other Expenses		
Lease rent	240,360	120,000
Rates and taxes	185,014	10,494
Insurance	-	104,785
Repairs and maintenance - Others	794	18,336
Travelling and conveyance expenses	2,158,561	1,307,414
Legal and professional charges	10,293,827	13,804,996
Provision for doubtful advances	-	10,000,000
Bad Debts Written off	151,906	-
Communication charges	422,252	246,566
Donations	-	20,000
Directors sitting fees	200,000	130,000
Advertisement and distribution expenses	73,321,618	31,448,252
Commission	1,163,000	95,796
Miscellaneous expenses *	1,018,067	877,462
TOTAL	89,155,399	58,184,101

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

Schedules

forming part of the accounts

SCHEDULE 14

Significant accounting policies and notes on accounts

A. Significant Accounting Policies:

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles in India, the Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006 and relevant provisions of the Companies Act, 1956.

Use of Estimates

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

Fixed assets

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

Depreciation

Depreciation on fixed assets is provided on straight-line basis in accordance with provisions of the Companies Act, 1956 at the rates and in the manner specified in schedule XIV of the Act.

Impairment loss

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

Inventories

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

Films : Average 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 profit and loss account.

b) Short Term Employee Benefits

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

Schedules

forming part of the accounts

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. (Refer note 7 below).

Provisions and Contingencies

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

B. Notes On Accounts

- The Finance Act, 2010 had introduced a new taxable service category viz 'Copyright Services', wherein 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 has 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 the writ petition, no provision of any service tax liability has been made in the books of accounts.

The estimated liability in this regard is ₹12,282,157/- which is entirely recoverable from the clients of the company.

- Managerial remuneration under section 198 of the Companies Act, 1956 to Director (included under the head "Employee Costs" refer Schedule 12)

	(₹)	
	For the Year 2010-2011	Previous Year 2009-2010
Salary	6,00,000	600,000
Perquisites	5,04,000	5,04,000
Contribution to Provident fund	72,000	72,000
Artist Fees	-	75,00,000
TOTAL	11,76,000	86,76,000

Notes:

- The above remuneration excludes provision for gratuity as the incremental liability has been accounted for the Company as a whole.
- In view of losses incurred during the previous year, managerial remuneration paid to the director (and charged to the profit and loss account) has been restricted to the limit specified in Schedule XIII. The Company received approval from Central Government for the balance remuneration payable to the director, which was approved by the letter dated July 29, 2009.
- As per the terms of appointment of the Directors of the Company, they are entitled to receive commission out of profits of the Company. In view of the accumulated losses, commission is not payable to them. Hence the computation of net profit in accordance with Section 198 read with Section 309 of the Companies Act, 1956 has not been provided.

Schedules

forming part of the accounts

3. Payment to auditors

	(₹)	
	For the Year 2010-2011	Previous Year 2009-2010
a. as auditors	5,00,000	5,00,000
b. in any other manner (certification work, etc.)	-	-
c. for service tax	51,500	51,500
TOTAL	5,51,500	5,51,500

4. Related Party Disclosures

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

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

b) Details of Transactions with related parties during the year

Nature of Transactions	(₹)						Total	
	Column number (refer note II below)							
	1	2	3			4	5	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous year	Current Year	Previous Year
Loan Received								
Balaji Telefilms Limited	156,744,446	345,309,033	-	-	-	-	156,744,446	345,309,033
Rent Paid								
Balaji Telefilms Limited	120,000	120,000	-	-	-	-	120,000	120,000
Loan Repaid / Adjusted								
Balaji Telefilms Limited	262,948,469	25,130,000	-	-	-	-	262,948,469	25,130,000
Directors sitting fees								
Mr. Jeetendra Kapoor	-	-	50,000	40,000	-	-	50,000	40,000
Remuneration								
Mr. Tusshar Kapoor	-	-	1,176,000	1,176,000	-	-	1,176,000	1,176,000
Artist Fees								
Mr. Tusshar Kapoor	-	-	-	7,500,000	-	-	-	7,500,000
Deposits Received Back								
Ms. Ekta Kapoor	-	-	-	10,000,000	-	-	-	10,000,000
Closing Balance Payable								
Balaji Telefilms Limited	253,135,732	359,339,755	-	-	-	-	253,135,732	359,339,755

* Deposits for lease property

Notes:

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

Schedules

forming part of the accounts

5. a) The primary segment of the Company is business segment which comprises of carrying on the business of production and / or distribution of motion pictures and films. As the Company operates in a single primary business segment, therefore the question of disclosing the primary segment information does not arise.
- b) Segment information for secondary segment reporting (by geographical segment)
The Company has two reportable geographical segments based on location of customers:
- i) Revenue from customers within India – Local
- ii) Revenue from customers Outside India – Export

	(₹)					
	Export		Local		Total	
	Current Year	Previous Year	Current Year	Previous year	Current Year	Previous Year
A) Revenue (Turnover)	24,688,356	25,000,000	392,282,016	34,109,078	416,970,372	59,109,078
B) Carrying amount of assets	183,755	25,000,000	322,856,105	391,335,708	323,039,860	416,335,708
C) Addition to fixed assets	-	-	90,361	237,653	90,361	237,653

6. Earnings per share

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

	For the Year 2010-2011	Previous Year 2009-2010
(A) Net Profit / (loss) after tax as per the Profit and Loss account (₹)	23,235,216	(88,990,313)
(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 (₹)	0.77	(2.97)
(D) Nominal value of shares (₹)	10	10

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

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

	(₹)	
	As at March 31, 2011	As at March 31, 2010
1) Amount due within 1 year	120,000	120,000
2) Amount due later than 1 year and not later than 5 years	-	120,000
3) Amount due later than 5 years	-	-
TOTAL	120,000	240,000

- b) Amount of lease rentals charged to the profit and loss account in respect of operating leases is ₹ 120,000/- (previous year ₹ 120,000/-)

Schedules

forming part of the accounts

9. 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 ₹ 1,637,574/- (previous year ₹ 1,080,705/-)

b. Defined Benefit Plans

I Reconciliation of asset / (liability) recognized in the Balance Sheet (under advances recoverable in cash or kind, refer schedule 6)

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Fair Value of plan assets as at the end of the year	443,696	117,949
Present Value of obligation as at the end of the year	(225,838)	(183,413)
Net assets / (liability) in the Balance Sheet	217,858	(65,464)

II Movement in net asset / (liability) recognized in the Balance Sheet

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Net liability as at the beginning of the year	65,464	(57,701)
Net expense recognised in the Profit and Loss Account	7,964	133,444
Contribution during the year	(291,286)	(10,279)
Net (assets) / liability as at the end of the year	(217,858)	65,464

III Expense recognized in the Profit and Loss Account (Under the head "Employee Costs" refer Schedule 12)

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Current service cost	293,555	128,039
Interest cost	15,132	13,045
Expected return on plan assets	(9,436)	(8,661)
Actuarial (gains) / losses	(291,287)	1,021
Expense charged to Profit and Loss Account	7,964	133,444

IV Return on plan assets

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Expected return on plan assets	9,436	8,661
Actuarial (gains) / losses	25,025	1,022
Actual return on plan assets	34,461	9,683

Schedules

forming part of the accounts

V Reconciliation of defined benefits commitments

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Commitments at beginning of the year	183,413	40,286
Current service cost	293,555	128,039
Interest cost	15,132	13,045
Actuarial (gains) / losses	(266,262)	2,043
Benefits paid	-	-
Settlement cost	-	-
Commitments at year end	225,838	183,413

VI Reconciliation of plan assets

	(₹)	
	For the Year 2010-11	For the Year 2009-10
Fair value of plan assets at beginning of the year	117,949	97,987
Expected return on plan assets	9,436	8,661
Actuarial gains/(losses)	25,025	1,022
Employer contribution	291,286	10,279
Benefits paid	-	-
Fair value of plan assets at year end	443,696	117,949

VII Experience adjustment

	(₹)	
	For the Year 2010-11	For the Year 2009-10
On plan liability (gains) / losses	(266,262)	5,224
On plan assets gains / (losses)	25,025	1,022

VIII Actuarial assumptions

	For the Year	
	2010-11	2009-10
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.25%	8.25%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%

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

	For the year 2010-2011
Insurer managed funds	100%

Composition of fund balance with LIC as at March 31, 2010 is not available with the Company. Major category of plan assets as percentage of total plan assets.

Schedules

forming part of the accounts

10. The accumulated losses of ₹243,889,350/- as at March 31, 2011 have partly eroded the net worth of the Company. The accounts of the Company have, however been prepared on a going concern basis, which is dependent upon continuing availability of finance and future profitability. The company has identified the Film business as a strategic growth area for the group and has various projects currently under development.
11. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956 (to the extent applicable)

	(₹)	
	For the Year 2010-11	For the Year 2009-10
a) Expenditure in foreign currency		
Travelling and Conveyance Expenses	-	565,432
Others	1,196,761	-
b) Earnings in foreign exchange		
Export of Satellite and Distribution Rights (Included in Turnover)	24,688,356	25,000,000

12. As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.
13. Figures for the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signatures to Schedule 1 to 14

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

For and on behalf of Balaji Motion Pictures Limited

A. B. Jani
(Partner)

Jeetendra Kapoor
(Chairman)

Shobha Kapoor
(Director)

Tusshar Kapoor
(Executive Director)

Place : Mumbai
Date : May 23, 2011

D.G.Rajan
(Director)

Puneet Kinra
(Group CEO)

Nitesh Shrivastava
(Company Secretary)

Srinivasa Shenoy
(Chief Financial Officer)

Place : Mumbai
Date : May 23, 2011

Balance Sheet Abstract

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

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue
Rights Issue

Bonus Issue
Bonus Issue

III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities
Total Assets

Sources of Funds
Paid-Up Capital
Reserve and Surplus

Secured Loans
Unsecured Loans

Application of Funds
Net Fixed Assets
Investments

Net Current Assets
Miscellaneous Expenditure

Accumulated Losses
Deferred Tax Asset / (Liability)

IV. Performance of Company (Amount in ₹ Thousand)

Turnover
Total Expenditure

Profit / Loss before Tax
Profit / Loss after Tax

Earning Per Share in ₹
Dividend Rate %

REFER NOTE B6 OF SCHEDULE 14

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Items Code No. (ITC Code) Product Description



BALAJI™

Balaji Telefilms Limited

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Balaji Telefilms Limited will be held on Thursday, September 22, 2011, at 4:30 p.m., at "The Club" 197, D.N. Nagar, Andheri (W), Mumbai – 400 053, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended on March 31, 2011.
3. To appoint a Director in place of Mr. Akshay Chudasama, who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint a Director in place of Mr. Pradeep Sarda, who retires by rotation and, being eligible, seeks re-appointment.
5. To appoint M/s. Deloitte Haskins and Sells, Chartered Accountants, Mumbai, and M/s. Snehal & Associates, Chartered Accountants, Mumbai, as Joint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ashutosh Khanna, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on August 27, 2010 and who holds office till the date of this Annual General Meeting, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Ashutosh Khanna as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Tusshar Kapoor, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on August 27, 2010 and who holds office till the date of this Annual General Meeting, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Tusshar Kapoor as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT subject to the provisions of Section 198, 309

and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and such other necessary permissions, sanctions if any as may be required, the approval of shareholders be and is hereby accorded for the payment of annual remuneration for each financial year to the Non-Executive Director(s) of the Company, aggregating upto a limit of ₹ 3,000,000 (Rupees Thirty Lacs only), in a manner and proportion, as may be decided by the Board of Directors of the Company, for the period of 5 years from the financial year commencing April 1, 2011.

"AND RESOLVED FURTHER THAT Ms. Shobha Kapoor, Managing Director of the Company, Mr. Srinivasa Shenoy, Chief Financial Officer of the Company and Ms. Alpa Khandor, Company Secretary of the Company are be and hereby severally authorised for the purpose of giving effect to this resolution, making relevant application to the Central Government and to take necessary steps and sign/authenticate documents in relation to the above mentioned matter and any other matter ancillary thereof and incidental thereto."

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING OF THE COMPANY SHALL BE ENTITLED TO APPOINT ANY PERSON WHETHER A MEMBER OR NOT AS HIS PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. Instruments appointing proxies, in order to be valid and effective, must be delivered at the Registered Office of the Company not later than forty-eight hours before the commencement of the meeting.**
2. Members / proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 6, 7 and 8 is annexed hereto.
4. All the documents referred to in the accompanying notice, annual report and the Register of Directors' Shareholding are open for inspection by the members at the Registered Office of the Company on all working days between 11:30 a.m. to 3:30 p.m.
5. The Register of Members and Share Transfer Books will remain closed from September 15, 2011 to September 22, 2011 both days inclusive.
6. Pursuant to provisions of Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all the unclaimed/unpaid dividend amount remaining unclaimed / unpaid for a period of seven years from the date of its lying in the unpaid dividend account has been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are requested to contact the Company's Registrar and Transfer Agents, for payment in respect of unclaimed / unpaid dividends declared by the Company after August 2004. Members

may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed /unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect of such claims.

7. Members whose shareholding is in the electronic mode are requested to notify all changes with respect to their address, email id, ECS mandate and bank details to their respective Depository Participants.
8. Members are requested to address all correspondences, including dividend mandates, etc. to the Registrar and Share Transfer Agents – Karvy Computershare Private Limited, Plot No.17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad 500 034, India.
9. Pursuant to the requirements of the Listing Agreements of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be re-appointed is given in the Annexure to the Notice.
10. Across the world, there is an increasing focus on doing our share to help save our environment from further degradation. Recognizing this trend, the Ministry of Corporate Affairs ("MCA") has vide

Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode. In view of the Company's strong focus on the environment and eco-sustainability, Balaji Telefilms Limited proposes to send all documents / communications to its shareholders through email. We request you to kindly update your email id with your respective Depository Participant and make this effort of your Company a grand success.

By order of the Board of Directors

Alpa Khandor
Company Secretary

July 15, 2011
Mumbai

Registered Office:

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

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

ITEM NO. 6

Mr. Ashutosh Khanna was co-opted as an Additional Director of the Company with effect from August 27, 2010 pursuant to Section 260 of the Companies Act, 1956. Mr. Ashutosh Khanna holds office of director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of ₹ 500/- proposing the candidature of Mr. Ashutosh Khanna for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

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

None of the directors other than Mr. Ashutosh Khanna may be deemed to be concerned or interested in passing of the said resolution.

ITEM NO. 7

Mr. Tusshar Kapoor was co-opted as an Additional Director of the Company with effect from August 27, 2010 pursuant to Section 260 of the Companies Act, 1956. Mr. Tusshar Kapoor holds office of director upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of ₹ 500/- proposing the candidature of Mr. Tusshar Kapoor for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

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

Mr. Tusshar Kapoor, Mr. Jeetendra Kapoor, Ms. Shobha Kapoor and Ms. Ekta Kapoor may be deemed to be concerned or interested in passing of the said resolution.

ITEM NO. 8

All non-executive Directors of the Company including the Chairman, Mr. Jeetendra Kapoor have been making outstanding advisory contribution to the business of the Company. Company has been benefiting from their collective experience and expertise in various fields of business. The management of the Company constantly draws upon their experience/knowledge and the Company immensely benefits by their mature advice. Keeping in view the augmented contribution made by the non-executive directors of the Company, it is proposed that such contribution be suitably rewarded by way of payment of annual remuneration upto ₹ 500,000 (Rupees Five Lacs only) each. The exact amount to be paid as annual remuneration among the eligible Directors is proposed to be left to the discretion of the Board.

The Board of Directors accordingly recommends the resolutions set out at the item No. 8 of the accompanying Notice for the approval of the Members.

The non-executive Directors Mr. Jeetendra Kapoor, Mr. Akshay Chudasama, Mr. Pradeep Sarma, Mr. D. G. Rajan, Mr. Ashutosh Khanna and Mr. Tusshar Kapoor may be deemed to be concerned or interested in passing of the said resolution.

By order of the Board of Directors

Alpa Khandor
Company Secretary

July 15, 2011
Mumbai

Registered Office:

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

Annexure

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED /RE-APPOINTED

Mr. Akshay Chudasama was first appointed on the Board on 17th July, 2000 as an Additional director. He is by profession an Advocate, Bombay High Court and Solicitor, Supreme Court of England & Wales. He has expertise in Joint Venture, Commercial / Contractual Transaction structuring and documentation, Corporate Laws, Mergers & Acquisitions, Anti-dumping and related matters, Consumer Protection, Insurance Sector privatization, Alternate Dispute Resolution, Internet and Cyber Laws. He does not hold any shares in the Company.

Directorships including the Company	Committee Memberships
Name of Company	Name of Committee
Balaji Motion Pictures Ltd.	Audit Committee, Remuneration Committee
Balaji Telefilms Limited	Audit Committee, Remuneration Committee
New Consolidated Construction Company Limited	Audit Committee
Godrej Tyson Food Limited	-
Cleargrip Hospitality and Entertainment Pvt. Ltd.	-
Cleargrip Representations India Pvt. Ltd.	-
Bata Limited	-
Raymond Limited	-

Mr. Pradeep Sarda was first appointed on the Board on 17th May, 2004 as an Additional director. Mr. Sarda, a first generation industrialist, is the Chairman of the Sarda Group of Industries and has vast experience in various industries such as Paper, Engineering Files, Construction and Real Estate. Mr. Pradeep Sarda is also Chairman of the Governing Board of Ecole Mondiale World School. He does not hold any shares in the Company.

Directorships including the Company	Committee Memberships
Name of Company	Name of Committee
Anchor Files Pvt. Ltd.	-
Bandra Diagnostic Centre Pvt. Ltd.	-
Balaji Motion Pictures Ltd.	Audit Committee, Remuneration Committee
Balaji Telefilms Limited	Audit Committee, Remuneration Committee
Grenville Resorts Private Limited	-
International Knowledge Park Pvt. Ltd.	-
India Food Company Private Limited	-
Madhu Construction Pvt. Ltd.	-
Macaroni Finance & Trading Pvt. Ltd.	-
Mercury Trade Links Limited	-
Mumbai Marine Products Pvt. Ltd.	-
Nagar Investment & Finance Pvt. Ltd.	-
National Tiles & Ind. Pvt. Ltd.	-
Parag Properties Pvt. Ltd.	-
Pramesh Properties Pvt. Ltd.	-
Reddish Investment & Trading Pvt. Ltd.	-
Sarda Papers Limited	Remuneration Committee
Sinner Engineering File Works Pvt. Ltd.	-
Sumadhu Estates Developers Pvt. Ltd.	-
Sumadhu Traders Pvt. Ltd.	-
Suvmal Properties Pvt. Ltd.	-
K. Mohan And Co. (Rubber Products) Private Limited	-

Mr. Ashutosh Khanna is a Client Partner with Korn/Ferry International's Delhi office, and part of the Global Consumer Markets team in India. Prior to joining Korn/Ferry International, in July 2007, Ashutosh was Chief Operating Officer at Grey Worldwide, India with responsibility for the entire advertising business of the company. Ashutosh was ranked among the top 20 most influential people in Indian advertising in 2006. Ashutosh holds a Bachelor of Science Degree in Zoology from Delhi University and has a Masters degree in Management Study from the University of Mumbai. He does not hold any shares in the Company.

Directorships including the Company	Committee Memberships
Name of Company	Name of Committee
Balaji Telefilms Limited	Remuneration Committee, Chairman
Balaji Motion Pictures Limited	Remuneration Committee, Chairman

Mr. Tusshar Kapoor was reappointed on the Board on August 27, 2010 as an Additional director. Mr. Kapoor, holds a Bachelor's degree in Management from University of Michigan. He is an established actor in the Hindi film industry. He holds 2,030,250 shares in the Company aggregating to 3.11% of shareholding of the Company.

Directorships including the Company	Committee Memberships
Name of Company	Name of Committee
Balaji Telefilms Limited	-
Screentestindia.com Private Limited	-
Balaji Teledevelopers Private Limited	-
Ekta K. Securities & Investment Private Limited	-
Balaji Teleproducts Limited	-
Balaji Films & Telly Investments Limited	-
Balaji Motion Pictures Limited	-



Balaji Telefilms Limited

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

ATTENDANCE SLIP

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

DP.Id*	
Client Id*	

Folio No.	
-----------	--

Name and Address Of The Shareholder
Number of Shares held :

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, September 22, 2011 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053.

Notes:

- Interested joint members may obtain attendance slip form the Registered Office of the Company.
- Members / Joint Members / Proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the meeting hall.

* Applicable for Investors holding Shares in electronic form.

.....
SIGNATURE OF THE SHAREHOLDER / PROXY



Balaji Telefilms Limited

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

PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
-----------	--

I/We
being a Member/Members of Balaji Telefilms Ltd. hereby appoint
..... ofor
(failing him) of.....
or (failing him) of.....
as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, September 22, 2011 at 4:30 p.m. at "The Club", 197, D. N. Nagar, Andheri (West), Mumbai - 400 053, and at any adjournment thereof.

Signed thisday of2011

Signature



*Applicable for Investors holding shares in electronic form.

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

Corporate Information

Directors

Mr. Jeetendra Kapoor

Ms. Shobha Kapoor

Ms. Ekta Kapoor

Mr. Tusshar Kapoor

Mr. Akhshay Chudasama

Mr. Pradeep Sarda

Mr. D G Rajan

Mr. Ashutosh Khanna

Group CEO

Mr. Puneet Kinra

Chief Financial Officer

Mr. Srinivasa Shenoy

Company Secretary

Ms. Alpa Khandor

Statutory Auditors

Deloitte Haskins & Sells

Snehal & Associates

Internal Auditors

PSK & Associates

Registered Office

Balaji Telefilms Limited

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

Tel: 91 22 40698000

Fax: 91 22 40698181

Regional offices

Chennai:

Plot No. 38, K. K. Salai, Kavary Rangam Nagara, Saligramam, Chennai – 600 093

Bangalore:

Anurag, MIG No. 30, 1st Main Road, KHB Colony, Basaveshwaranagar, Bangalore - 560 079

Hyderabad:

Plot No. 74, Road No 9, Jubilee Hills, Hyderabad - 500 034



BALAJI[™]

Balaji Telefilms Limited

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

www.balajitelefilms.com

